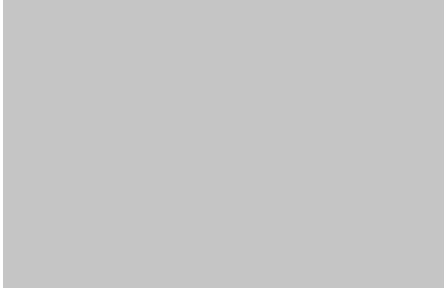
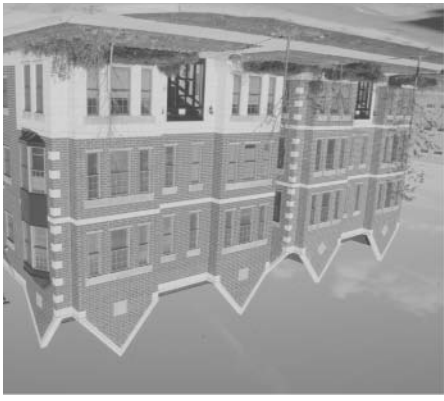
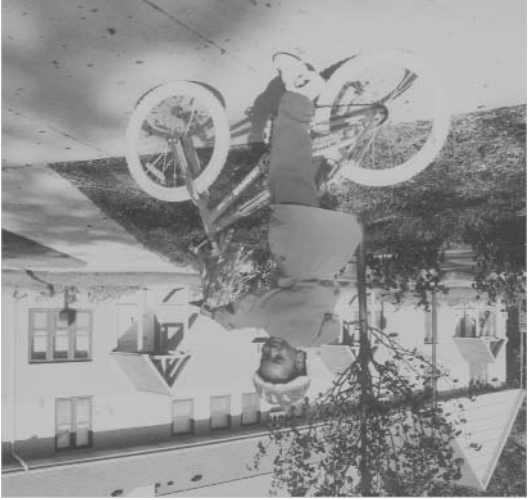


CHANGE.
CHICAGO HOUSING AUTHORITY



FY2004 ANNUAL REPORT

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Chief Executive Officer

Adrienne G. Minley
Chief of Staff

Gail A. Niemann
General Counsel

March 1, 2005



I am very pleased to present the Chicago Housing Authority's (CHA) FY2004 Annual Report, which details the CHA's progress during the past year. CHA's *Plan for Transformation*, a vision to redevelop or rehabilitate 25,000 public housing units, continues to successfully move forward.

During FY2004, the CHA surpassed the pivotal midway point of the Plan and gained further momentum. This year, we completed 1,900 units, bringing the total number of completed units to 13,137 – 52% of the total units promised under the Plan. We completed 91% of our senior units and 98% of our scattered site units, surpassing our goals by 17% and 8% respectively. We also closed five mixed-income real estate transactions during FY2004, bringing the total to 26 mixed-income deals completed since the Plan began. The Plan is taking shape all across the city with construction now underway at or near every major redevelopment site, with many new units already completed and leased.

Our residents are moving from uninhabitable old public housing buildings to safer apartments in CHA's redeveloped or rehabilitated housing stock or to apartments in the private market with a Housing Choice Voucher. Since the Plan began, we have successfully relocated 4,000 households, 2,200 of which have already moved into their permanent replacement housing unit. For these families, and so many others, the better life we promised under the Plan for Transformation is already happening.

As the largest revitalization project in the nation, the Plan's sustained progress would not be possible without the continued support from HUD, the City of Chicago, private businesses, community leaders, and our residents. All of these parties are helping to dramatically transform poverty and crime-ridden communities into places filled with hope and opportunity.

During 2005, the Plan's sixth year, we will continue to deliver more units, prepare families to be successful in mixed-income settings, and connect residents with opportunities that will foster their economic and social self-sufficiency. I look forward to another year of progress.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T. Peterson', written over a horizontal line.

Terry Peterson
Chief Executive Officer

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INTRODUCTION



On February 6, 2000, the U.S. Department of Housing and Urban Development (HUD) approved the Chicago Housing Authority's (CHA) Plan for Transformation and Moving to Work Demonstration Agreement (MTW Agreement). The MTW Agreement and its amendments provide the CHA the opportunity to implement innovative strategies for revitalizing housing and assisting residents in taking steps towards economic self-sufficiency. These strategies are outlined in the Plan for Transformation as well in the CHA's annual plans.

In accordance with the MTW Agreement, the CHA submits an annual report which provides an accounting of the CHA's progress in meeting the goals set forth in the prior annual plan. This document serves as the CHA's FY2004 Annual Report for the fifth year of the historic Plan for Transformation.

As the CHA continues to move forward with the Plan for Transformation, the residents of the CHA and Chicago are experiencing the benefits of sweeping changes to the administration and operation of public housing in Chicago. While the CHA is proud of its FY2004 accomplishments, the CHA and its partners, including HUD and the City of Chicago, will continue to work to reshape the face of public housing in Chicago.

Highlights of the FY2004 Annual Report

Chapter 1: Renewal of Chicago's Public Housing

- Completed 1,900 revitalized public housing units for Plan-to-date total of 13,137, or 52% of the 25,000 unit goal.
- Broke ground at five mixed-income redevelopment sites.
- Completed 91% of senior housing rehabilitation.
- Completed 98% of scattered site housing rehabilitation.

Chapter 2: Enhancing Affordable Housing Opportunities

- Leased 34,078 Housing Choice Vouchers (HCV) that assist families in obtaining quality, affordable homes in the private market.
- Forty-one (41) families bought a home in FY2004 through the Choose to Own Home Ownership Program.
- Opened two new HCV Program Satellite Offices for a total of three across the City of Chicago.



Chapter 3: Supporting Residents Through Relocation

- Assisted 469 families with their move to permanent housing in a mixed-income community or the private-market with a HCV bringing the Plan-to-date total number of permanent moves to over 2,200.
- Hosted Relocation Fairs at Francis Cabrini Extension, Madden Park/ Ida B. Wells Homes, Robert Taylor Homes, and William Green Homes.
- Received the Public Innovator Award for the CHASystems@Work Relocation Services Suite for its creative and unique solutions to improve service delivery, address problems, and demonstrate measurable results.

Chapter 4: Achieving Economic Self-Sufficiency

- Opened 8,496 cases and provided 10,899 referrals through the Service Connector System.
- Nine hundred, thirty-three (933) residents obtained full and part-time jobs bringing the Plan-to-date total number of job placements to 4,600.
- Coordinated with the Chicago Police Department to continue the CAPS Program at CHA family properties.

Chapter 5: Promoting Economic Opportunities

- Held quarterly “How to Do Business with the CHA” training sessions for potential contractors.
- Invited residents and other low-income individuals to attend the Six-Step Series Workshops providing assistance with starting and managing a business.
- Created the Earn and Learn Program to assist residents and other low-income individuals in moving toward economic self-sufficiency.

Chapter 6: Operation of Chicago’s Public Housing

- Established benchmarks of performance for property management companies. Six of the seven benchmarks were met or exceeded at the senior designated properties and four of seven were met or exceeded at the family properties.
- Created policies to support the revitalization of public housing including the Minimum Tenant Selection Plan and the Resident’s Grievance Procedure.
- Conducted extensive training on the Admissions and Continued Occupancy Policy, Lease, and Pet Policy as well as the Resident’s Grievance Procedure for property managers, CHA staff, and residents.
- Implemented Economic Independence Policy pilot program at Washington Park/Randolph Tower.
- Inaugurated the new Pilsen/Little Village Latino Site Office.

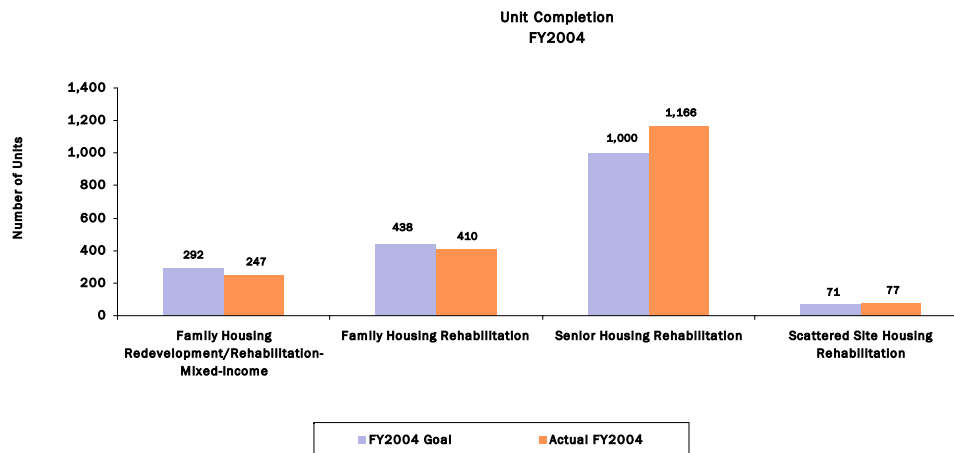


Chapter 7: Advancing the Vision for CHAnge

- Received the Certificate of Achievement for Excellence in Financial Reporting for the seventh consecutive year.
- Received the Distinguished Budget Presentation Award by the Government Finance Officers Association for the fourth consecutive year.
- Leveraged \$3.57 million in new resources reaching a total of \$73 million in new resources since the inception of the Plan.

CHAPTER 1: RENEWAL OF CHICAGO'S PUBLIC HOUSING

The Chicago Housing Authority's Plan for Transformation sets forth a blueprint to create 25,000 redeveloped or rehabilitated public housing units at mixed-income, senior, family, and scattered site housing properties. As of December 31, 2004, the CHA has completed more than 52%, or 13,137 public housing units, of the planned 25,000 units. In FY2004, the CHA accomplished the following:



- Completed 1,900 public housing mixed-income, senior, family, and scattered site units;
- Delivered public housing units at the Rockwell Gardens and Madden Park/Ida B. Wells and Extension/Clarence Darrow Homes redevelopment sites;
- Closed six real estate transactions bringing the total to date to 29;
- Broke ground at five mixed-income redevelopment sites;
- Managed construction at all ten major mixed-income redevelopment sites;
- Completed rehabilitation at Lake Parc Place, a family rehabilitation site; and
- Surpassed the senior and scattered site FY2004 unit completion goal by 17% and 8% respectively, bringing the plan to date totals to 91% and 98%.

All of these accomplishments translate into numerous CHA families living in new, revitalized homes created by the CHA as part of the Plan for Transformation.

Unit Completion Plan to Date								
Category	Development Name	Actual Units Delivered FY2000 & Before	Actual Units Delivered FY2001	Actual Units Delivered FY2002	Actual Units Delivered FY2003	FY2004 Unit Delivery Goal*	Actual Units Delivered FY2004	Actual Total Units Delivered through FY2004
	Family Housing Redevelopment/Rehabilitation- Mixed-Income							
	Family Housing Redevelopment- Mixed-Income							
1	ABLA Homes	329	-	-	-	-	-	329
1	Francis Cabrini Extension North	44	32	53	57	58	20	206
1	Governor Henry Horner Homes	553	-	-	8	79	79	640
1	Lakefront Replacement Housing	90	16	-	15	62	62	183
5B	Rockwell Gardens	-	-	-	-	20	16	16
5B	Stateway Gardens	-	-	-	-	-	-	-
1 & 5B	Robert Taylor Homes	29	27	-	-	-	-	56
1	Madden Park /Ida B. Wells Homes and Extension/ Clarence Darrow Homes	-	-	-	-	-	11	11
	Family Rehabilitation- Mixed-Income							
1	Raymond M. Hilliard Center	-	-	-	94	59	59	153
1	Washington Park/St. Edmund's Meadows	-	-	-	-	14	-	-
	TOTAL: Family Housing Redevelopment/ Rehabilitation- Mixed-Income	1,045	75	53	174	292	247	1,594
	Senior Housing Rehabilitation							
2	Phases I - IV	-	1,026	3,489	2,911	1,000	1,166	8,592
2	Phase V: Larabee	-	-	-	-	-	-	-
2	Phase VI: Flannery, Briton/Budd, Pomeroy, Kenmore	-	-	-	-	-	-	-
	TOTAL: Senior Housing Rehabilitation	-	1,026	3,489	2,911	1,000	1,166	8,592
	Scattered Site Housing Rehabilitation							
3	Scattered Sites North Central, Northeast, Southeast, Southwest, and West	-	688	1,063	654	71	77	2,482
4	Cabrini-Lincoln	-	18	-	0	-	-	18
	TOTAL: Scattered Site Housing Rehabilitation	0	706	1,063	654	71	77	2,500
	Family Housing Rehabilitation							
5A	Altgeld Gardens and Phillip Murray Homes	-	-	-	-	25	-	-
4	Bridgeport Homes	-	-	-	15	10	10	25
4	Francis Cabrini Rowhouses	-	-	-	-	-	-	-
4	Lake Parc Place	-	-	-	21	279	279	300
4	Lawndale Gardens	-	-	-	-	-	-	-
4	LeClaire Courts Extension	-	-	-	-	-	-	-
4	Lowden Homes	-	-	-	5	44	49	54
5A	Trumbull Park Homes	-	-	-	-	80	27	27
4	Washington Park Low-Rises	-	-	-	-	-	45	45
4	Wentworth Gardens	-	-	-	-	-	-	-
	TOTAL: Family Housing Rehabilitation	0	0	0	41	438	410	451
	To Be Redeveloped or Rehabilitated							
	To Be Redeveloped							
5B	Francis Cabrini Extension South/William Green Homes/1230 N. Burling	-	-	-	-	-	-	0
4	Lawndale Complex	-	-	-	-	-	-	0
5B	Randolph Towers	-	-	-	-	-	-	0
5B	Washington Park High-Rises	-	-	-	-	-	-	0
	To Be Rehabilitated							
5A	Dearborn Homes	-	-	-	-	-	-	0
5A	Harold Ickes Homes	-	-	-	-	-	-	0
	To Be Rehabilitated or Redeveloped (Undecided)							
	Lathrop Homes	-	-	-	-	-	-	0
	TOTAL: To Be Rehabilitated or Redeveloped	0	0	0	0	0	0	0
	GRAND TOTALS							
	TOTAL NUMBER OF PUBLIC HOUSING UNITS	1,045	1,807	4,605	3,780	1,801	1,900	
	CUMULATIVE TOTAL NUMBER OF PUBLIC HOUSING UNITS	1,045	2,852	7,457	11,237	13,038	13,137	
	CUMULATIVE TOTAL PERCENTAGE OF 25,000	4.2%	11.4%	29.8%	44.9%	52.2%	52.5%	

*As indicated in the FY2005 Annual Plan

Public Housing Unit Construction Schedule			
Category	Development Name	FY2004 Units Under Construction Goal*	Actual Units Under Construction FY2004**
Family Housing Redevelopment/Rehabilitation- Mixed-Income			
1	ABLA Homes	125	125
1	Francis Cabrini Extension North	68	109
1	Governor Henry Horner Homes	113	113
1	Lakefront Replacement Housing	92	92
5B	Rockwell Gardens	20	20
5B	Stateway Gardens	27	27
1 & 5B	Robert Taylor Homes	54	54
1	Madden Park /Ida B. Wells Homes and Extension/ Clarence Darrow Homes	63	63
Family Rehabilitation- Mixed-Income			
1	Raymond M. Hilliard Center	59	59
1	Washington Park/St. Edmund's Meadows	14	14
TOTAL: Family Housing Redevelopment/ Rehabilitation- Mixed-Income		635	676
Senior Housing Rehabilitation			
2	Phases I - IV	1,000	2,100
2	Phase V: Larabee	-	-
2	Phase VI: Flannery, Briton/Budd, Pomeroy, Kenmore	-	-
TOTAL: Senior Housing Rehabilitation		1,000	2,100
Scattered Site Housing Rehabilitation			
3	Scattered Sites North Central, Northeast, Southeast, Southwest, and West	71	99
4	Cabrini-Lincoln	-	0
TOTAL: Scattered Site Housing Rehabilitation		71	99
Family Housing Rehabilitation			
5A	Altgeld Gardens and Phillip Murray Homes	25	-
4	Bridgeport Homes	10	92
4	Francis Cabrini Rowhouses	-	-
4	Lake Parc Place	279	279
4	Lawndale Gardens	-	-
4	LeClaire Courts Extension	-	-
4	Lowden Homes	44	121
5A	Trumbull Park Homes	80	434
4	Washington Park Low-Rises	-	45
4	Wentworth Gardens	-	-
TOTAL: Family Housing Rehabilitation		438	971
To Be Redeveloped or Rehabilitated			
To Be Redeveloped			
5B	Francis Cabrini Extension South/William Green Homes/1230 N. Burling	-	-
4	Lawndale Complex	-	-
5B	Randolph Towers	-	-
5B	Washington Park High-Rises	-	-
To Be Rehabilitated			
5A	Dearborn Homes	-	-
5A	Harold Ickes Homes	-	-
To Be Rehabilitated or Redeveloped (Undecided)			
4	Lathrop Homes	-	-
TOTAL: To Be Rehabilitated or Redeveloped		-	-
GRAND TOTALS			
TOTAL NUMBER OF PUBLIC HOUSING UNITS		2,144	3,846

*As indicated in the FY2005 Annual Plan

**Actual units under construction includes all units where construction activity occurred during FY2004 and where unit delivery either occurred occurred in FY2004 or will occur after FY2004.

FAMILY HOUSING REDEVELOPMENT/REHABILITATION AS MIXED-INCOME COMMUNITIES

The CHA committed to improving the quality of public housing in the City of Chicago with the adoption of the Plan for Transformation (Plan). One component of the Plan was the creation of mixed-income/mixed-finance communities through redevelopment and rehabilitation. In FY2004, the CHA completed construction of 247 public housing units in eight mixed-income communities. The impact of the CHA's commitment to change is evident by the 1,594 public housing units created in mixed-income communities since the Plan began.

Overview of Redevelopment Process

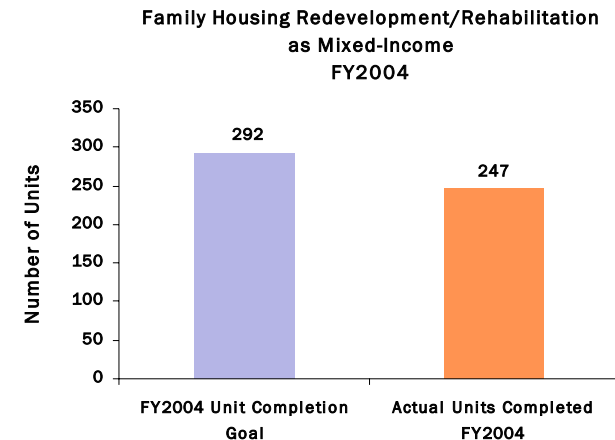
Although the redevelopment/rehabilitation process is different for each site, the CHA has been able to streamline the lengthy progression of steps that must occur before construction can begin.

Creation of a Working Group

Each of the ten mixed-income communities has a working group that participates throughout the redevelopment process. The working group is comprised of resident leadership and representatives, the master developer, CHA staff, community partners, the Habitat Company, the City of Chicago, and the Gautreaux Plaintiffs' Counsel.

Identification and Selection of a Master Developer

A master developer for each mixed-income community must be selected. Requests for Proposals (RFP) for master developers are solicited nationally through the CHA's competitive procurement process. The CHA and the working group select the master developer, with whom the CHA enters into a Master Developer Agreement (MDA). The MDA includes a description of the project, the master developer's responsibilities, the CHA's responsibilities, and a timeline for unit construction and delivery. The MDA must receive approval from the CHA's Board of Commissioners (Board), the Habitat Company, and U.S. Department of Housing and Urban Development (HUD) to be finalized.





Creation of the Redevelopment Plans for the Mixed-Income Community

The master developer contracts with a master architect and/or urban planner to create a redevelopment plan. The working group for each mixed-income community participates in the creation of the final redevelopment plan which illustrates the building and land uses proposed for the site, as well as the total number of public housing, affordable, and market-rate units to be developed. Some of the units are built on the actual site of the former CHA development (on-site), while others are located on parcels adjacent to or in the vicinity of the CHA land (off-site). The site plans show how the chosen mix of residential buildings with parking areas, commercial space, and green space will blend into the surrounding community.

Submitting Rental Term Sheet and Mixed-Finance Proposal

A Rental Term Sheet and Mixed-Finance Proposal for each phase of redevelopment must be submitted to HUD for approval. These documents describe the overall unit count and building types; sources of funding; names of major partners; non-residential or mixed uses; and any special features of each phase (e.g., a land exchange, commercial facilities, scattered site acquisition, and development). In FY2004, the CHA submitted four Mixed-Finance Proposals to HUD for approval.

Securing Supplemental Financing

A redevelopment plan cannot be implemented without a significant amount of financial support from external sources. CHA funds alone cannot make a mixed-income community come to life; therefore, the master developer and the CHA must work together to secure supplemental financing from a variety of sources. Supplemental financing comes from both private and public resources and may include tax credits, private mortgages, tax-exempt bonds, and HOPE VI awards.

The complex nature of each mixed-income communities' financial structure, coupled with the significant effort required to build a new mixed-income community, causes the CHA and master developer to divide the redevelopment process into phases and secure financing for each phase, rather than attempt to secure financing for the entire development at once. With the completion of each real estate closing, the CHA and master developers' ability to secure financing for similar projects increases.

Drafting a Tenant Selection Plan and Lease

Each mixed-income community has admissions criteria and occupancy policies for those interested in renting public housing, affordable, and market-rate units. The master developer drafts the site-specific admissions criteria known as a Tenant Selection Plan (TSP) and the occupancy policies contained in each respective lease. The documents are presented to the working group and subsequently released to the public for review during a public comment period.

The table below shows the five sites at which public comment periods for mixed-income TSPs and leases occurred in FY2004.

Mixed-Income Site Tenant Selection Plans and Leases FY2004	
Mixed-Income Community	Original CHA Site
Roosevelt Square Phase 1A	ABLA
Rockwell Gardens Phase 1-B	Rockwell Gardens
Westhaven Park Phase IIa2	Governor Henry Horner Homes
Park Boulevard & all remaining phases	Stateway Gardens
River Village North & South	Francis Cabrini Extension North

In FY2004, the CHA created the Minimum Tenant Selection Plan for Mixed-Income/Mixed-Finance Communities (MTSP). The MTSP serves as a guide for working groups as they create new site-specific tenant selection plans. A public comment period and a public comment hearing were held for the MTSP prior to the CHA Board of Commissioners' approval on September 21, 2004.

Building Closure and Demolition

Before construction can begin on-site, the land must be cleared of existing structures. Therefore, the existing CHA-owned and occupied buildings must be closed and demolished. Once a building has been identified for closure, the CHA works with current residents to educate them about their temporary and permanent housing options and strives to afford them a smooth transition from their current home to their temporary or permanent home. Buildings will not be closed until lease-holding residents have been notified of the building closure and have relocated¹. For more details on temporary relocation or building closure in FY2004, please see Chapter 3: Supporting Residents Through Relocation.

¹ Residents have the option of choosing to relocate to another public housing unit, the private market using a Housing Choice Voucher, or to an unsubsidized unit.

Infrastructure

Redevelopment plans include proposed street grids, updated utility infrastructure, new or upgraded public facilities, and landscaping/green space. The CHA and the master developer collaborate with various City of Chicago Departments, Sister Agencies, and utility companies to develop the plans for infrastructure. Given that the infrastructure improvement needs vary for each site, the CHA works with City departments and utility companies to assess current infrastructure and create site-specific plans for installing new or updating existing systems. Improvements can include upgrades to sewer and water lines that normally occur before unit construction, as well as new public parks, public schools, and police stations.

Closing the Real Estate Transaction

The real estate transaction closing is a significant milestone in the creation of mixed-income communities. The closing signifies that HUD approved the legal documents, the TSP, and the lease; that financial papers and planning documents are fully executed; and that an adequate source of funding for the phase of redevelopment is available. After the real estate transaction closing takes place, construction may begin. Through hard work and lessons learned from past experiences, the CHA closed six real estate transactions in FY2004. The CHA has completed 29 closings since the beginning of the Plan.

Mixed-Income Community Real Estate Transaction Closings FY2004		
Mixed-Income Community	Original CHA Site	Month Real Estate Transaction Closed
Oakwood Shores 1-A	Madden Park Homes/Ida B. Wells Homes & Extension/Clarence Darrow Homes	March 2004
Legends South C-1	Robert Taylor Homes	April 2004
Jazz on the Boulevard	Lakefront Replacement Housing	August 2004
One South Leavitt	Rockwell Off-site	August 2004
Roosevelt Square Phase 1A	ABLA	September 2004
Westhaven Park Phase II a 2	Governor Henry Horner Homes	December 2004

Construction

Construction may finally begin after the real estate transaction closing. In FY2004, the CHA broke ground at five mixed-income sites: Roosevelt Square Phase 1, Jazz on the Boulevard, Oakwood Shores Phase 1-A, Legends South Phase C-1, and Westhaven Park Phase 1a2. The construction process typically takes 18 to 24 months from the date of the real estate transaction closing until the first unit is transferred to the CHA. The units delivered in FY2004 were the result of a record nine real estate transactions closed in FY2003 and successful closings completed in earlier years. FY2004 was the first year that units were under construction at ten major mixed-income redevelopment sites.

Preparing for Leasing

Once units are completed, the CHA receives a Certificate of Occupancy (COO). However, building exterior and common area work may not be completed at the same time. For more details on leasing in FY2004, please see Chapter 6: Operation of Chicago's Public Housing.



The foundation work for the 414 units of Roosevelt Square Phase 1 began soon after the real estate closing in September 2004.



Praised as a national model for public housing transformation, the developers of Westhaven Park Apartments, Brinshore Development of Northbrook and Michaels Development Company of New Jersey were awarded the Chicago Neighborhood Development Award for Outstanding For-Profit Neighborhood Real Estate Project for 2005, by the Local Initiatives Support Corporation of Chicago (LISC). The award recognizes a for-profit developer for a real estate project that has contributed significantly to the enhancement of the community.

GRACE ABBOTT HOMES, ROBERT H. BROOKS HOMES & EXTENSION, LOOMIS COURTS, AND JANE ADDAMS HOMES (ABLA)

Street Boundaries: Cabrini/Blue Island/16th/Ashland

Roosevelt Square Phase 1

FY2004 marked the first year of construction at Roosevelt Square which, at completion, will feature 2,441 public housing, affordable, and mixed-income units and be one of the CHA's largest new mixed-income communities. In FY2004, HUD approved the Phase 1 Rental Term Sheet, Mixed-Finance Proposal, and evidentiaries. With these and other necessary approvals from the CHA Board and the City of Chicago, the CHA closed the real estate transaction for Roosevelt Square Phase 1 in September and started construction. Phase 1 will contain 414 units in low-rise buildings, of which 125 units will be public housing. In FY2004, the CHA secured building permits for Phase 1 from the Chicago Department of Construction and Permits (DCAP). The City of Chicago worked on the construction of new utility and street infrastructure throughout the year at the Phase 1 site. The ceremonial groundbreaking, the opening of the on-site sales center, and the marketing launch of the homes for sale at Roosevelt Square in November culminated an eventful year.

In tune with the redevelopment of ABLA, additional private and public redevelopment activity has occurred in the neighborhood. In FY2004, the Public Building Commission of Chicago continued converting the small recreational building and adjacent community center at nearby Fosco Park into a state-of-the-art 57,000 square-foot facility. This new Fosco Park Community Center, which is expected to open in FY2005, will provide recreational activities and day care services for residents of Roosevelt Square and the community.



Roosevelt Square



*Roosevelt Square
Groundbreaking*

FRANCIS CABRINI EXTENSION NORTH

Street Boundaries: Clybourn/Larabee/Division/Oak

The CHA is committed to providing 700 public housing units in the Cabrini Extension North area by the end of the Plan for Transformation. In FY2004, the redevelopment of the off-site mixed-income communities for Cabrini Extension North continued.

Old Town Village West, East I & II

The second year of unit delivery at the Old Town Village East and West communities yielded 20 new public housing units for relocating families in FY2004. The 12 public housing units at Old Town Village West, four units at Old Town Village East I, and four units at Old Town Village East II feature new appliances, kitchen cabinets, bathrooms, and in-unit laundry hook-ups. At year's end, more than 20 additional units were under construction at the three sites.

River Village North & South

The CHA will acquire 43 units at the mixed-income community of River Village in FY2005. In preparation for the acquisition, the CHA held a 30-day public comment period for the tenant selection plan and lease of River Village's in FY2004. In addition, HUD approved the Redevelopment Agreement and Rental Term Sheet for River Village North.



Old Town Village



River Village

FRANCIS CABRINI EXTENSION SOUTH

Street Boundaries: Orleans/Hudson/Wendell/Chicago

WILLIAM GREEN HOMES & 1230 N. BURLING

Street Boundaries: Larrabee/Halsted/Clybourn/Division

The CHA and Cabrini-Green Working Group began planning the redevelopment of Francis Cabrini Extension South, William Green Homes, and 1230 N. Burling sites in FY2004. The Cabrini-Green Working Group selected the urban planner that will be responsible for devising a redevelopment plan for the three sites. The CHA also held a series of public meetings which were attended by Cabrini-Green residents and members of the community to discuss the draft alternate plans. The Cabrini-Green Working Group also met a number of times in FY2004 with the urban planner to discuss and comment on the draft redevelopment plans.



Young CHA residents enjoyed the Annual Bud Bulliken Back-to-School Parade in the summer of 2004.

RAYMOND M. HILLIARD CENTER

Street Boundaries: Cullerton/Cermak/State/Clark

Located just south of the Loop, the rehabilitation of the Raymond M. Hilliard Center is divided into two phases that each contain one family building and one senior building. The Hilliard Center will feature 349 affordable units, 188 senior public housing units, and 117 family public housing units upon completion.

Phase 1

Construction work on the family and senior buildings in Phase 1 was completed in FY2004. By the end of the year, the extensively rehabilitated units of Phase 1 were leased-up and the CHA's efforts to provide quality housing materialized as seniors and families moved into substantially rehabilitated units and buildings. Site work such as installation of a new site security access system, including a new secured parking lot on Cullerton Street was also completed in FY2004.

Phase 2

With Phase 1 complete, construction efforts were shifted to Phase 2. The senior and family buildings of Phase 2 were closed, and families moved out in preparation for the rehabilitation. Similar to Phase 1, the units in Phase 2 will have redesigned floor plans as well as new floors, walls, kitchen cabinets, and appliances. New plumbing, heating systems, and ADA-accessible units are also part of the Phase 2 plans. In FY2004, the CHA created an initial budget and project timeline as well as prepared the Rental Term Sheet and the Mixed-Finance Proposal, which were approved by the CHA Board in October 2004 and by HUD in November 2004. Construction on the second phase of rehabilitation at the Hilliard Center will begin in FY2005.



***Raymond M. Hilliard
Center Rehabilitation***

GOVERNOR HENRY HORNER HOMES

Street Boundaries: Lake/Washington/Hermitage/Oakley

New private residential condominiums, restaurants, a grocery store, and other retail outlets began opening on the city's west side in FY2004, coinciding with the redevelopment of Henry Horner Homes into the mixed-income community, Westhaven Park. As with most mixed-income communities, the comprehensive redevelopment of Henry Horner Homes was divided into several phases, three of which were active in FY2004.

Phase IIa1

The largest mixed-income public housing unit delivery of FY2004 occurred at Westhaven Park Phase IIa1. Seventy-nine (79) public housing units were delivered and the CHA assisted families in relocating to the units throughout the year.

Phase IIa2

The Henry Horner Homes Working Group and Development Team made significant progress on Phase IIa2 in FY2004. This phase will be comprised of a mid-rise condominium building with 34 public housing units and low-rise buildings containing for-sale units. In preparation for the real estate transaction closing, the Mixed-Finance Proposal was submitted to HUD and received approval paving the way for the real estate transaction closing in late December 2004.

Phase B

Planning of Phase B commenced in FY2004. The working group finalized the site plan, unit mix, and building elevations which were submitted to the Chicago Department of Planning and Development (DPD) for approval. The CHA will start meetings with the City of Chicago in FY2005 to coordinate work schedules for the construction of infrastructure and financing.



Westhaven Park

LAKEFRONT REPLACEMENT HOUSING

The former Lake Michigan Homes is being replaced with a total of 441 public housing units in Lake Park Crescent (120 units), Jazz on the Boulevard (30 units), and 291 Scattered Site units in the North Kenwood/Oakland Community.

Lake Park Crescent

Street Boundaries: 41st/43rd/Oakenwald/Lake Park

Lake Park Crescent will be a 490-unit mixed-income community of townhouses, mid-rises, and condominiums when complete. Construction of Rental Phase 1 of Lake Park Crescent concluded in FY2004 and the 60 public housing units in this phase were delivered. The CHA families who moved into this community in FY2004 now enjoy two of Chicago's most beautiful views: Lake Michigan and the city's skyline. Also in FY2004, the working group began planning the construction of the market-rate home ownership phase at Lake Park Crescent.

Jazz on the Boulevard

Street Boundaries: 41st/43rd/Drexel/Cottage Grove

Jazz on the Boulevard leapt from plans on paper to concrete results in FY2004. In August, the CHA closed the real estate transaction and soon began the construction of the townhouses and mid-rises that make up this community. The first of 30 public housing units will be delivered in FY2005. When complete, Jazz on the Boulevard will be comprised of 137 public housing, affordable, and market-rate units with amenities such as decks, balconies, in-unit laundry hook-ups, a central walkway with gardens, and landscaping along newly created streets.



Lake Park Crescent



Jazz on the Boulevard

Scattered Sites Units in North Kenwood/Oakland Community

Street Boundaries: Various

The CHA rehabilitated 106 scattered site units in the North Kenwood/Oakland Community at the beginning of the Plan for Transformation. In addition to these completed units, the CHA has acquired units in the 45-unit Hutchinson's Row mixed-income community. Two units were acquired in FY2004 for a total of 17 public housing units. Eligible public housing families relocated into the acquired units.



Hutchinson's Row

MADDEN PARK HOMES/IDA B. WELLS AND EXTENSION/CLARENCE DARROW HOMES

Street Boundaries: 35th/Pershing/Martin Luther King Drive/Ellis

In FY2004, the first CHA families moved into Oakwood Shores built on the footprint of the former Clarence Darrow Homes. Planning, construction, and unit delivery were completed in FY2004 for three phases of redeveloped Madden Park Homes/Ida B. Wells and Extension/Clarence Darrow Homes.

Oakwood Shores Phase 1-A

In the spring of FY2004, the real estate transaction for Phase 1-A closed, and construction began on 63 public housing units. The phase consists of 21 buildings, including rowhouses, six, and nine-unit buildings. The May 2004 groundbreaking for Phase 1-A was the first of the CHA's groundbreaking ceremonies in FY2004. CHA residents moved into the 11 revitalized homes delivered at Oakwood Shores in FY2004.

Oakwood Shores Phase 1-B

The CHA achieved the crucial objective of securing financing for Phase 1-B in FY2004. The developer prepared a development budget; requested and received disbursement of predevelopment funds; and received Low-Income Housing Tax Credits (LIHTC), and Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) awards. Both programs encourage the planning and creation of affordable rental housing through the generation of equity capital for construction and rehabilitation. A Tax Increment Financing (TIF) application was also submitted to the Chicago Department of Planning and Development (DPD) for Phase 1B and received Community Development Commission (CDC) approval.



***Oakwood Shores
Groundbreaking***



Oakwood Shores

The CHA completed design and construction documents for Phase 1-B in FY2004 and will submit the Rental Term Sheet and building permits in FY2005 in preparation for the real estate transaction closing. Similar to Phase 1-A, Phase 1-B will feature 63 public housing units.

The Arches at Oakwood Shores (Phase 1 Home Ownership)

Home ownership is a vital component to the success of mixed-income communities. The Arches at Oakwood Shores is comprised of both market-rate and affordable for-sale units, 12 of which are set aside for public housing residents to purchase. In FY2004, the working group approved the architectural designs, and the Master Development Agreement for Phase 1 Home Ownership is in final negotiations. A TIF application was submitted to the Chicago DPD and the TIF developer designation was approved by the CDC.



The Arches at Oakwood Shores

ROBERT TAYLOR HOMES

Street Boundaries: 39th/54th/State/Federal

FY2004 was an exciting year. First, Legends South was selected as the name for the mixed-income community, and marketing signs were placed on- and off-site to announce the redevelopment activity. Second, the Salvation Army announced that it would build the 24-acre Ray and Joan Kroc Community Center near Legends South, between 47th and 50th Streets along State Street. The new community center will be the largest structure of its kind in Illinois and include amenities such as a swimming pool, a gymnasium, a computer lab, and a recreation field. The redevelopment and construction activity in FY2004 at Legends South was concentrated on Phase A-1 (on-site) and Phase C-1 (off-site).

Legends South Phase A-1

The developer completed the construction drawings and submitted the building permits for the 184 public housing, affordable, and market-rate units of Legends South Phase A-1; 83 of which will be public housing. The site-plan was partially re-designed in FY2004 to allow for an easement of fire truck ingress and egress. The Chicago City Council passed the Vacation, Dedication, and Plat of Subdivision Ordinance to create new streets and property lines for the new community. To supplement the funding for redevelopment, the City Council supported and passed the creation of a TIF district in the Robert Taylor Homes area. The CHA submitted Illinois Housing Development Authority (IHDA) funding application in FY2004 to further supplement funding for Phase A-1.



Legends South



Construction of Legends South

Legends South Phase C-1

In April 2004, the CHA closed the real estate transaction for Phase C-1, one of the four off-site sub-phases of Legends South. After a groundbreaking in July, construction was soon underway, including excavation, pouring of concrete, and site utility installation. The Chicago Department of Transportation (CDOT) completed the construction of an alley, and ComEd relocated existing utility poles. The construction of the 54 public housing units that will comprise sub-phase C-1 continued throughout FY2004, and CHA families are being prepared to move into the new units in early FY2005.



Robert Taylor 1-C Groundbreaking

ROCKWELL GARDENS

Street Boundaries: Madison/Van Buren/Western/Rockwell

The transformation of Rockwell Gardens into a mixed-income community advanced in FY2004 and provided tangible results in the form of unit delivery and leasing. This mixed-income community will consist of a mixture of single family homes, two and three-flats, and eight-unit buildings. Of the 823 units, 264 will be public housing, 260 affordable, and 299 market-rate.

Phase 1-A

The construction of 42 rental units in Phase 1-A, which began in FY2003, culminated in FY2004. Construction was completed on the framing, roofing, and masonry work on all 14 buildings in Phase 1-A in FY2004. The 14 public housing units in Phase 1-A were transferred to the CHA for occupancy by public housing families. In turn, the CHA began to relocate families who chose the redeveloped Rockwell Gardens as their final housing choice.

Phase 1-B

Phase 1-B construction will occur both on- and off-site and, upon completion, will deliver 57 new units for CHA public housing families. In FY2004, the CHA prepared for the real estate transaction closing scheduled for FY2005. In addition to finalizing construction drawings, obtaining building permits, and receiving approval for building elevations and floor plans, new investors were brought into the project. The Chicago City Council approved the new Rockwell Gardens Plat of Re-subdivision and Dedication and the Chicago CDC approved the transfer of ten parcels of City-owned land to the developer as a part of the off-site component of Phase I-B. Lastly, HUD approved the Rental Term Sheet and reviewed a first draft of the Mixed-Income Finance Proposal.



***Rockwell Gardens
Redevelopment***

STATEWAY GARDENS

Street Boundaries: 35th/39th/State/Federal

The redevelopment of Stateway Gardens will occur in several phases and will result in 439 public housing units both on and off-site. In FY2004, activity was underway at two sites: The Pershing and Park Boulevard.

The Pershing

In FY2004, the CHA completed construction of the building foundations, concrete flooring, roof enclosures, and superstructure. The steel framing and masonry veneer was installed, and by year's end the exterior was complete and interior construction had begun. Given that construction of The Pershing is scheduled to end in FY2005, the CHA began preparing residents to move into the 27 public housing units at this mixed-income community in FY2004.

Park Boulevard

Pre-construction work such as sewer infrastructure, site restoration, utility relocation, construction documents, and building permit applications were completed at Park Boulevard. The City Council approved the new Stateway Gardens TIF District Designation, the TIF Redevelopment Agreement, and the street Vacation, Dedication, and Plat of Subdivision. In addition, the CHA held a public comment period and hearing and obtained Board approval for the TSP and lease for this phase and all subsequent phases of Stateway Gardens' redevelopment. In preparation for unit completion and leasing, the developer launched the Park Boulevard website and opened a marketing center to the public to offer information about Park Boulevard amenities.



The Pershing



Park Boulevard

WASHINGTON PARK HOMES

Street Boundaries: Various

St. Edmund's Meadows

St Edmund's Meadows is a mixed-income community that will provide a total of 56 rehabilitated three and four bedroom rental units, 14 of which will be public housing units. The CHA originally projected that all 14 units would be delivered in FY2004; however, there were construction delays and these units are expected to be completed in FY2005. The CHA collaborated with the developer throughout FY2004 and will continue to do so in FY2005 to promote unit delivery. In FY2004, the developer began marketing efforts and identifying tenants for the affordable and market-rate units in preparation for leasing activities in FY2005.

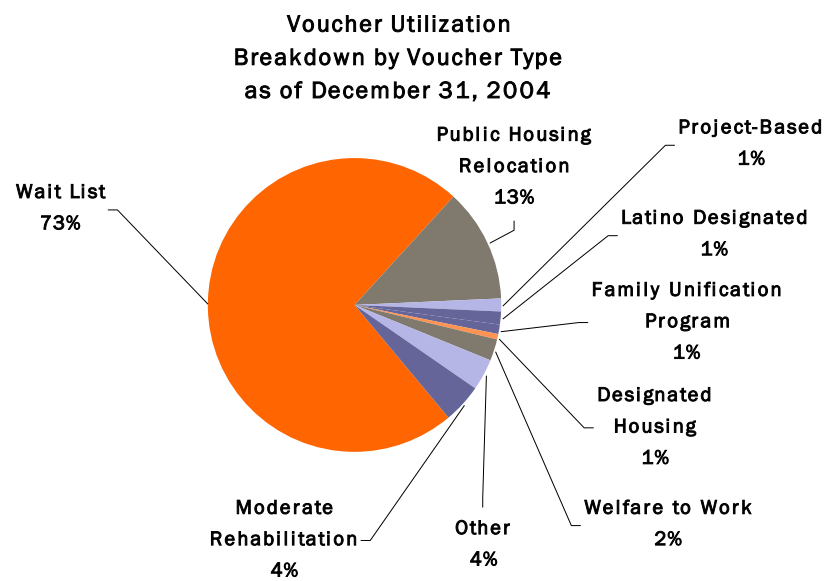


St. Edmund's Meadows

CHAPTER 2: ENHANCING AFFORDABLE HOUSING OPPORTUNITIES

As the CHA's largest housing program, the Housing Choice Voucher (HCV) Program provides the most opportunities for low-income Chicago families to locate and obtain quality, affordable homes in the private market across the City of Chicago. In FY2004, the CHA re-contracted with CHAC, Inc. to serve as the contract administrator of the HCV Program. In this capacity, CHAC, Inc. evaluated family eligibility for participation in the HCV Program, inspected units using HUD-established standards, and processed payments to unit owners renting to program participants. While the HCV Program has served as a relocation resource for public housing families, the HCV Program also serves as a viable housing option for low-income families above and beyond the Plan for Transformation.

The CHA offers two types of voucher assistance: tenant-based and project-based. Tenant-based vouchers are issued to HCV Program participants who rent units in the private market by using an HCV to pay the difference between fair market rent and their own contribution to rent, which is up to 30% of their adjusted annual income. The voucher is provided to the property owner by the HCV Program Administrator in the form of a monthly Housing Assistance Payment (HAP). Project-based vouchers are issued to the property owner for units that must be rented to eligible families. The project-based vouchers are subsidies that remain with the unit and cannot be transferred with tenants who move to a different building.



MANAGEMENT INITIATIVES

Housing Choice Voucher, Project-Based Voucher, and Moderate Rehabilitation Programs Administrative Plan

The Housing Choice Voucher, Project-Based Voucher, and Moderate Rehabilitation Programs Administrative Plan (Administrative Plan) was revised in the fourth quarter of FY2004 to:

- Remain consistent with Federal, state, and local laws;
- Revise language for improved clarity; and
- Update administrative procedures.

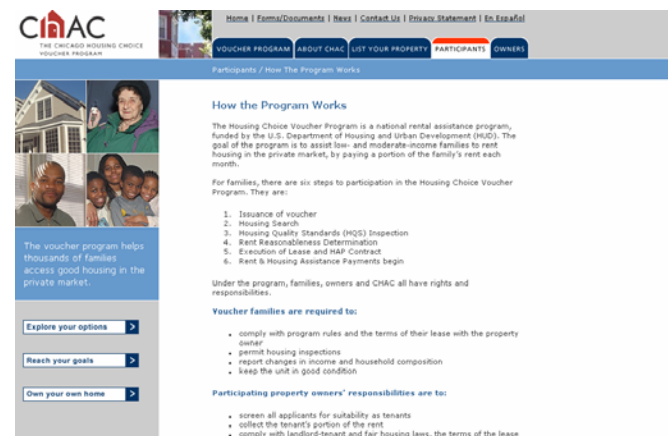
The revisions were incorporated into a draft Administrative Plan which was submitted for a 30-day public comment period in late FY2004. After the comments were reviewed, the Administrative Plan was submitted to the CHA Board of Commissioners in December 2004 and approved.

Satellite Offices

In FY2004, two new Satellite Offices were opened in the west and southeast regions of the city bringing the total number of Satellite Offices to three. The Satellite Offices offer many of the same services as the main HCV Program office including property owner, landlord, and tenant education as well as outreach for special HCV Programs.

HCV Program Website

Throughout FY2004, the HCV Program website (www.chacinc.com) continued to serve as a valuable resource to program participants, property owners, managers, and the general public. The website features a unit search tool for tenants, a unit listing tool for property owners, and information on the Family Self-Sufficiency and Choose to Own Programs. In the third quarter of FY2004, a forms section was added to the website which contains HCV Program forms, owner and tenant guides, and program brochures.



The CHAC website is a valuable information tool accessible via the internet, 24 hours a day.

HOUSING CHOICE VOUCHER PROGRAM

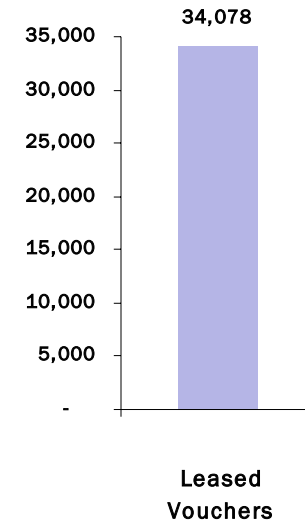
Tenant-Based Voucher Assistance

As of December 31, 2003, there were 33,138 tenant-based vouchers leased through the HCV Program. By December 31, 2004, the number of leased tenant-based vouchers had risen to 34,078.

Voucher Leasing Activity

To obtain a tenant-based voucher, families must go through a screening process. Applicants on the HCV wait list, Latinos United wait list, and families relocating from public housing must schedule interviews with HCV Program Administrator staff. Staff then evaluates each individual family's eligibility based upon HCV Program requirements. Once eligibility is determined, a voucher is awarded to the family, and they may begin to look for a home that meets their needs. The CHA and the HCV Program Administrator provide voucher holders with a number of additional resources as they search for their new home including maps of the city, listings of available properties, and tips for choosing a unit. All families are invited to participate in Explore Chicago Tours. These tours are led by knowledgeable staff who provide tour goers with information on each neighborhood explored, including public transportation routes and area schools. During FY2004, Explore Chicago Tours were held on the north, south, and west sides of the city.

**Actual Tenant-Based Voucher Utilization
As of December 31, 2004**



Applicants and families relocating from public housing are interviewed by HCV Program Administrator staff to evaluate each their eligibility for the program.

After finding a unit that meets the family's needs, HCV Program inspectors conduct a pre-contract Housing Quality Standards (HQS) inspection of the unit to ensure that the family will live in safe, quality housing. In FY2004, the HCV Program Administrator instituted a schedule of regular Saturday inspections to better meet the needs of property owners, managers, and tenants. To further meet the needs related to inspections, the HCV Program Call Center was reorganized during the year. The reorganization increased functionality in a number of areas including scheduling inspections and releasing inspection results. Property Managers and tenants can now receive an estimated time of arrival on the day of their inspection and can contact the Call Center for questions or concerns on inspections.

Once the unit passes inspection, the family signs a lease for the unit.



HCV Program inspectors conduct pre-contract inspections, annual inspections, as well as meet with potential landlords to ensure that residents will live in safe, quality housing.

Voucher Leasing Activity FY2004	
Applicants invited from the wait list ¹	-
Applicants invited from other programs ²	2,380
Initial interviews scheduled (includes initial and rescheduled interviews)	2,758
Initial interviews conducted	2,506
Number of applicants determined eligible	2,412
Vouchers issued (includes vouchers reissued to participants who did not find a unit in FY2003)	2,336
Requests for inspections received	2,391
New HAP contracts executed	1,960

¹Applicants were not invited from the wait list in FY2004.

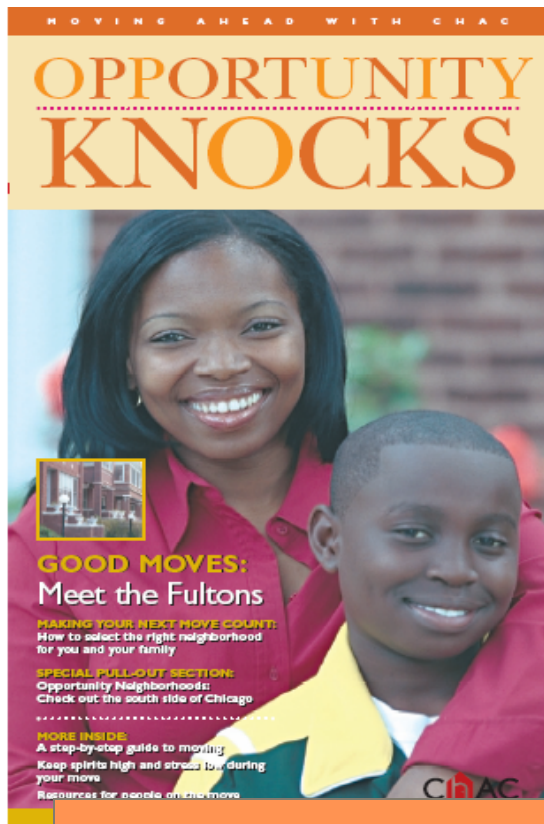
²This includes applicants from the public housing relocation program, special admissions, and moderate conversion.

HCV FY2004 Management Benchmarks and Performance

HUD has consistently rated the CHA's HCV Program as a high-performer based upon Section Eight Management Assessment Program (SEMAP) benchmarks. These benchmarks assist the CHA in evaluating the HCV Program Administrator's success and compliance with the HCV Program Administrative Plan. FY2004 was another successful year for the HCV Program as shown below in the FY2004 benchmarks and performance chart.

Categories	FY2004 Benchmarks	FY2004 Performance
<i>Selection from the Waitlist</i>	At least 98% of applicants will be selected in accordance with prescribed policies.	No applicants were selected from the wait list in FY2004 in order to maintain a lease-up rate near 100%. All applicants from public housing and special admissions were selected in accordance to prescribed policies.
<i>Rent Reasonableness</i>	At least 95% of rents will be based on current rents for comparable unsubsidized units.	In FY2004, at least 95% of rents were based on current rents for comparable unsubsidized units.
<i>Determination of Adjusted Income</i>	At the time of admission and annual re-examination, at least 90% of families will have their annual income accurately verified.	The HCV Program Administrator uses a large quality control sample to confirm that program participants' annual income is accurately verified by a third-party. Of the sample cases, 94% had their income verified accurately by a third-party or documentation as to why a third-party verification was not available.
<i>Utility Allowance Schedule</i>	Utility rate data will be reviewed on an annual basis. If there is a change of 10% or more in the utility rate, the utility allowance will be adjusted.	The Program Administrator reviewed its utility rate data and found that an adjustment was needed. The adjusted utility rate went into effect on October 25, 2004.
<i>Housing Quality Standards Enforcement</i>	100% of units cited for life-threatening HQS deficiencies will be corrected within 24 hours. At least 98% of units cited for non-life threatening HQS deficiencies will be corrected within 30 days. Those units cited for HQS deficiencies but not corrected within the appropriate timeframe will have their HAP abated or the tenant will be notified within 24 hours of the CHA's intent to terminate the HAP contract.	100% of units cited for life-threatening deficiencies and 98.4% of units cited for non life-threatening deficiencies were addressed on time, either by the unit passing inspection; HAP being abated on time; or the tenant was notified with 24 hours of the CHA's intent to terminate the contract.
<i>Expanding Housing Opportunities</i>	At least 45% of families in the Housing Opportunity Program will move to low-poverty areas.	46% of Housing Opportunity Program moves in FY2004 were to low-poverty areas.

Categories	FY2004 Benchmarks	FY2004 Performance
Payment Standards	The CHA payment standards are used to ensure that rents paid by HCV participants are equivalent to the fair market rent paid in Chicago. Annually, HUD publishes the Fair Market Rent (FMR) for Chicago, which is the average monthly rent for a unit based on the number of bedrooms. The CHA will establish payment standards to ensure that rent amounts for all participants are between 90% and 110% of FMR.	FY2004 payments standards were set between 90% and 110% of FMR.
Annual Re-examinations	At least 95% of participants will be reviewed every 365 days for suitability and eligibility for continued occupancy.	99.6% of participants were re-examined on time for suitability and eligibility.
Correct Tenant Rent Calculations	At least 98% of participants will have their rent calculated accurately in accordance to their income.	92% of the tenant's rents reviewed in the quality control sample were found to be accurately calculated in accordance to their income. The CHA and HCV Program Administrator are implementing procedures to increase the percentage of rents accurately calculated.
Pre-Contract HQS Inspections	At least 98% of newly leased units will pass a Housing Quality Standards (HQS) inspection on or before the beginning of a lease.	100% of the newly leased units passed their HQS inspection on or before the beginning of the lease.
Annual HQS Inspections	At least 95% of all units under contract will be inspected annually and on-time.	99.6% of the units under contract received their annual inspection on time.
Quality Control File Review	At least 5% of participant files will be reviewed for quality control annually.	In FY2004, at least 5% of participant files were reviewed for quality control.
Lease-up	At least 98% of all HCV and Moderate Rehabilitation units allocated for more than one year are leased in accordance with the approved leasing schedule.	At least 98% of the units allocated for more than one year were leased in accordance with the approved leasing schedule.
Family Self-Sufficiency Program Enrollment and Escrow Accounts	At least 1,500 families will be enrolled in the FSS program of which 50% will have earned income (51% or more of total income derived from wages)	1, 525 families were enrolled in the FSS Program as of December 31, 2004. Of these families, 295 were families relocating under and the Plan for Transformation and 56.7% of the enrolled families have an earned income.



"Opportunity Knocks" Magazine

The first three editions of "Opportunity Knocks" Magazine were published in FY2004. Opportunity Knocks provides HCV Program participants with information on the Housing Opportunity Program, recommendations when searching for a unit, a resource contact page, and a map of Opportunity Areas throughout Chicago.

In October 2004, the CHA's HCV Program was awarded several National Association of Housing and Redevelopment Offices (NAHRO) 2004 Agency Awards of Merit for its innovative best practices including:

- CHAC Training Program for Employees*
- Choose to Own Home Ownership Program
- Communication Strategies and Tools
- Deconcentration Strategies
- Latino Partnership Initiative Program
- Owner Resource Council
- Performance Tracking System*

*Also nominated for a NAHRO Award of Excellence



Additional HCV Programs and Counseling

All HCV Program participants have access to housing counselors who assist families as they search for a unit and provide information on tenants' rights. Above and beyond this counseling, additional support in a number of areas including moves to lower-poverty areas, achieving self-sufficiency, accessing job opportunities, and increasing unit accessibility by persons with disabilities is available.

Housing Opportunity Program

In FY2004, the Housing Opportunity Program provided specialized counseling and unit search assistance to families interested in moving to lower-poverty neighborhoods. With the assistance of the Housing Opportunity Program, HCV Program participants who live in a high-poverty area are encouraged and helped move to an Opportunity Area (a census tract where less than 23.49% of the families live below the poverty level). As a result of the Housing Opportunity Program, 545 families successfully relocated to a low-poverty neighborhood.

Housing Opportunity Program Activity FY2004

Number of Housing Opportunity Program Participants	1,361
Total Number of Housing Opportunity Program Participants who moved	1,177
Number of Housing Opportunity Program Participants who moved to low-poverty area	545
Percentage of Housing Opportunity Program Participants who moved to a low-poverty area.	46%

Family Self-Sufficiency Program

The Family Self-Sufficiency (FSS) Program helps families achieve financial independence. FSS Program participants identify goals associated with financial independence such as obtaining a job, furthering their education, or purchasing a home. During the five year program, families work with client service representatives and employment development specialists to develop a detailed action plan. The action plan contains a list of specific activities and services needed to achieve the families' respective goals. Through the FSS Program, families can obtain services and referrals on topics such as skills assessment testing, career planning and counseling, employment services, job readiness workshops, vocation training, GED preparation, education programs, and child care.



FSS participants identify educational, financial, and career goals such as starting their own business like the participant pictured here.

FY2004 Family Self-Sufficiency Activity		
Activities	Participants	Percentage of Total Participants
Participants with an escrow balance	660	43%
Employed	864	57%
Living in low-poverty areas	775	51%

As FSS Program participants move towards their goals, they often experience an increase in their income which, in turn, results in an increase in their portion of monthly rent. To encourage participants to continue in the FSS Program despite rent increases, each family has an individual escrow account. The FSS Program deposits an amount equal to the rent increase into their escrow account. Upon graduation from the FSS Program, families receive the deposited funds, plus interest. As of December 31, 2004, there are 1,525 FSS Program participants with a combined escrow balance of \$1,889,882.

Choose to Own Home Ownership Program

FSS Program participants who identify purchasing a home as a goal have the option of entering the Choose to Own Home Ownership Program. In lieu of applying Housing Assistance Payments and the family's monthly contribution to rent, the funds are applied towards the participant's mortgage. The Chicago Department of Housing offers additional support for eligible Choose to Own participants with disabilities. To qualify, HCV Program participants must be in compliance with HCV Program rules and;

- Enrolled in the FSS Program;
- A first-time homebuyer or not have owned a home for the last three years;
- Earn at least \$10,200 annually from employment or business; and
- Complete a pre-purchase counseling program.



The Choose to Own Home Ownership Program assisted 41 families in purchasing their own home in FY2004.

The CHA established an aggressive FY2004 goal of 50 families closing on a home. This goal was nearly met with 41 families purchasing their own home through the program. From the Choose to Own Program's inception in FY2002 through the end of FY2004, a total of 96 families have closed on a home at an average purchase price of \$131,363.

FY2004 Choose to Own Home Ownership Program Activity		
Grouping	Goal	Actual
Applicants to the program	200	429
Participants completing pre-purchase counseling	80	90
Participants pre-qualified by a bank	60	69
Total number families purchasing a home	50	41

Connections '04- CHAC Job Fair and Personal Development Conference

On September 18, 2004, CHAC, Inc. held Connections '04- CHAC Job Fair and Personal Development Conference for HCV Program participants and their families. Connections '04 linked program participants with employers, resources, and other information to assist them in reaching their personal goals. Over 30 employers and not-for-profit organizations and 120 HCV Program participants attended the conference which included sessions on time management, credit repair, investing, and interviewing skills.

Modification Fund

The Modification Fund, administered by Access Living, provides grants up to \$5,000 for HCV recipients who require an accessible unit. During FY2004, 61 families submitted a request to the Modification Fund to make alterations to their unit in order to make it accessible. Fifty-six requests were approved and work was completed during the year. Some of these modifications included installation of flashing door bells and fire alarms, exterior and interior motorized lifts, and lowering of cabinets. All work was done by licensed, bonded contractors at no cost to the owner.

Property Manager and Owner Outreach

Regular communication with current and potential HCV Program property managers and owners is essential to the success of the CHA HCV Program. This communication facilitates the ability of the CHA and the HCV Program Administrator to provide HCV Program participants with access to a variety of quality, affordable homes throughout the City of Chicago. In FY2004, the property manager and owner outreach activities included an Owner Resource Council, Landlord Outreach Specialists, an owner newsletter, and training sessions.



Owners and property managers receive training and professional development to assist them in improving their management skills.

Owner Resource Council

During FY2004, the Owner Resource Council met on a monthly basis to address the needs of owners. The Council, composed of 13 members who rent units to HCV Program participants, met with the CHA and HCV Program Administrator staff to suggest owner and tenant training topics, raise concerns about program operation, and review the resources available for unit owners.

Landlord Outreach Specialists

During FY2004, Landlord Outreach Specialists contacted property owners and managers with units in low-poverty neighborhoods to reinforce established relations and develop new ones. Through their efforts, 649 new property owners with 1,001 units in low-poverty neighborhoods were added to the HCV Program in FY2004.

Owner News

Owners and property managers also received the monthly publication “Owner News” in FY2004 which provided information on training sessions, HCV Program Administrator contact information, property management tips, and tax-saving opportunities.



“Owner News” is a monthly publication for owners and property managers.

Landlord and Owner Training

HCV Program landlords and property owners had the option of attending a variety of seminars, workshops, and orientations throughout FY2004. Property Management Seminars were hosted by the Community Investment Corporation and attended by 748 landlords and property owners who received information on HCV Program basics and property certification. Seven hundred and twenty (720) landlords and owners attended CHAC, Inc. Owner Workshops and Orientations, which covered a variety of topics in FY2004 including:

- Rent determination;
- Outreach to owners of multiple units;
- Lead risks;
- Protecting assets;
- HQS;
- Tax savings; and
- Landlord/Tenant law.

PROJECT-BASED VOUCHER ASSISTANCE

In addition to providing Housing Choice Voucher assistance, the CHA has a Project-Based Voucher (PBV) Program that serves to increase the number of affordable, quality units available to low-income families. PBVs are issued to a unit owner and not to the tenant like HCVs. By utilizing a project-based voucher, the unit owner has a reliable income stream that can be used to maintain the unit and in some cases, rehabilitate or develop buildings. As of December 31, 2004, 2,260 PBVs were allocated. Of those, 1,964 PBVs were leased culminating in a lease-up rate of 86.9%.

Project-Based Voucher Utilization as of December 31, 2004			
Type	Leased	Allocated	Percentage of Allocated Vouchers Leased
Moderate Rehabilitation	458	490	93.5%
Project-Based Certificates	1506	1770	85.1%
Total Project-Based Vouchers	1,964	2,260	86.9%

Project-Based Voucher Issuance for Development

PBV are used by developers of newly constructed and substantially rehabilitated housing to provide new housing options for lower-income families. In FY2004, the CHA Board of Commissioners approved the allocation of PBVs to various housing developers of low-income housing over the next several years. Once construction on the buildings is complete, eligible low-income families will be able to move into the units. In addition to these PBVs, the CHA participated in two local initiatives during FY2004: the Chicago Supportive Initiative and the Regional Housing Initiative.

Chicago Supportive Housing Initiative

In December 2004, the Board of Commissioners approved participation in the Chicago Supportive Housing Initiative. Through the Chicago Supportive Housing Initiative, the CHA is working in collaboration with the Chicago Department of Housing, the Chicago Department of Human Services, Chicago Department of Planning and Development, and the Mayor's Office of Workforce Development to preserve existing Single Room Occupancy units in Chicago and facilitate the creation of affordable, permanent housing with needed on-site social services. The services will focus on issues that affect lease-compliance in traditional low-income or public housing programs. The CHA Board of Commissioners allocated 313 project based vouchers for Supportive Housing Initiatives.



Regional Housing Initiative (RHI)

In FY2001, the Chicago, Cook, and Lake County Housing Authorities, and the Metropolitan Planning Council (MPC) began a collaboration named the Regional Housing Initiative (RHI) which is designed to increase the amount of affordable housing near jobs and transportation centers across the region. Each of the housing authorities pools a portion of their individual PBV allocations to provide subsidies to housing developers. Lower-income families are able to afford the substantially rehabilitated or newly developed units because the subsidy reduces their portion of the rent. Developers who are awarded RHI vouchers can leverage them to attract additional state and local funding, including Low-Income Housing Tax Credits from the Illinois Housing Development Authority (IHDA). Each year, developers are invited to submit proposals for RHI funds. During the fourth round of requests for proposals in FY2004, the RHI Program Selection Panel selected the 21-unit Argyle Apartments in the Albany Park neighborhood to receive RHI vouchers. MPC also conducted extensive outreach to encourage more developers to submit proposals for future voucher awards.

CHAPTER 3: SUPPORTING RESIDENTS THROUGH RELOCATION

More than half of the units slated for redevelopment or rehabilitation were complete by the end of FY2004, making it a busy year for relocation activities. The CHA continued to guide residents through the relocation process and provide them with the information and resources necessary to make housing choices that are best for their families. The CHA kept residents informed about the relocation process; worked with residents to update their Housing Choice Surveys; conducted 571 moves out of non-revitalized public housing units and 469 moves into final housing choices; provided residents with counseling opportunities to support lease-compliance; and tracked resident relocation through an award-winning automated system entitled CHA Systems@Work.

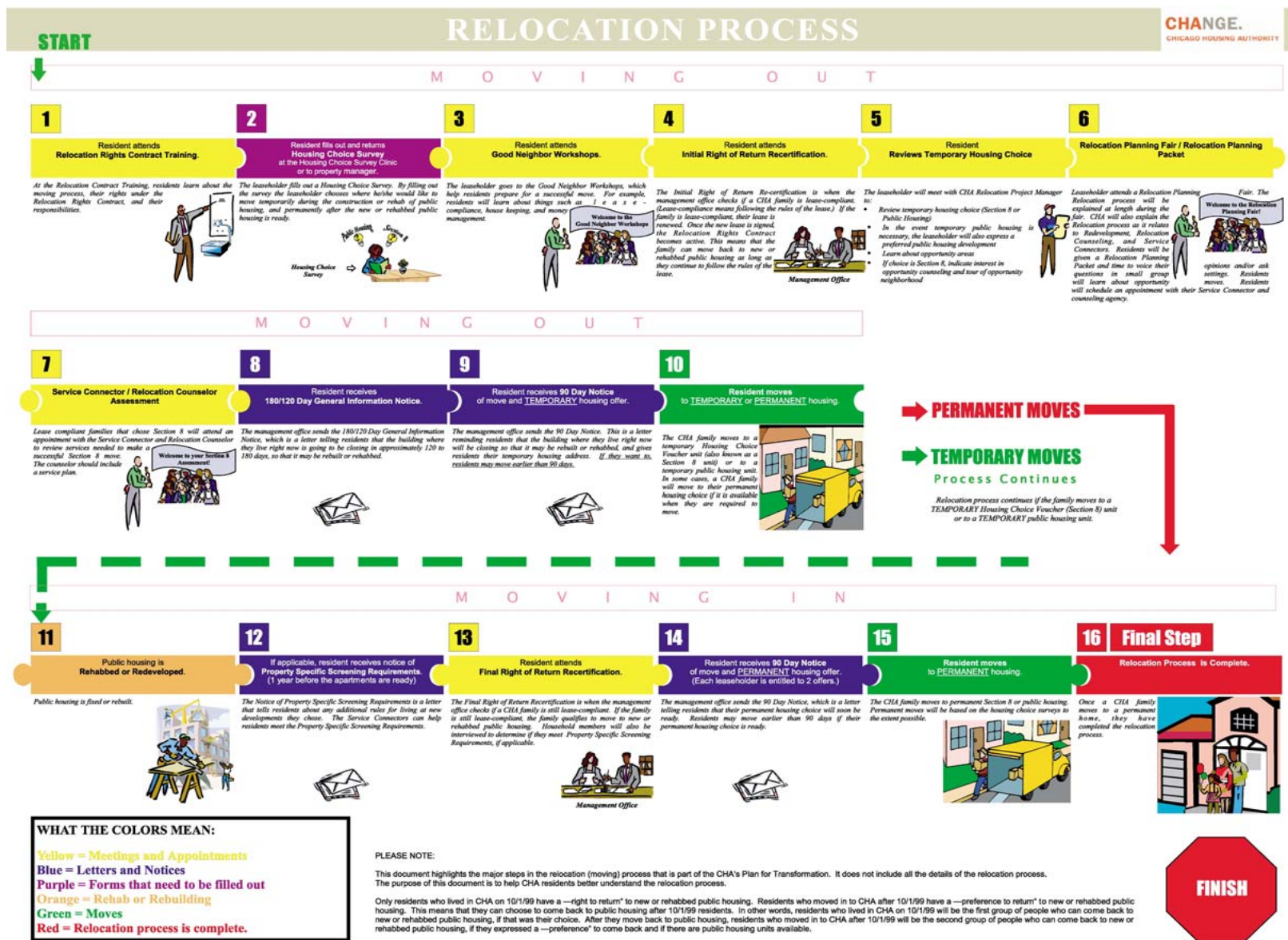
RELOCATION PROCESS

As set forth in the CHA Leaseholder Housing Choice and Relocation Rights Contract (RRC), lease compliant CHA households that were in occupancy on October 1, 1999 have the right to return to a public housing unit following redevelopment and rehabilitation. The RRC outlines the rights and responsibilities of residents, as well as the CHA's obligations during the relocation process. During FY2004, the CHA continued to fulfill these obligations by keeping residents informed about redevelopment and rehabilitation activities so that leaseholders could make the most appropriate housing choices for their families. The CHA also continued to use an independent Relocation Monitor during FY2004 to oversee the relocation process and make recommendations for improvements.



In FY2004, the CHA continued to guide residents through the relocation process. Relocation Teams were created to enhance the process and facilitate both move-out and move-in activity.

The chart below describes the relocation process at the CHA properties that are undergoing redevelopment and rehabilitation as part of the Plan for Transformation.

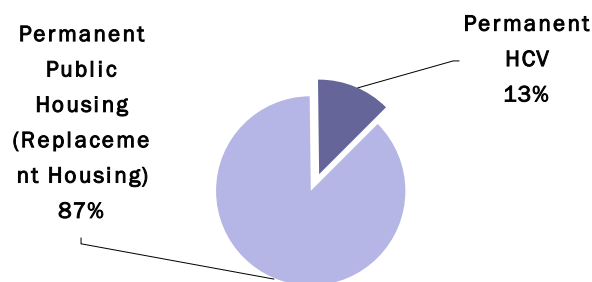


Housing Choice Surveys

In FY2001 and FY2002, most residents living in the CHA developments undergoing revitalization completed a Housing Choice Survey (HCS), in which they identified up to three sites where they would like to move temporarily, during construction, and permanently, after redevelopment and rehabilitation is complete. Residents have the choice to move either to a number of public housing communities or to the private market with a HCV.

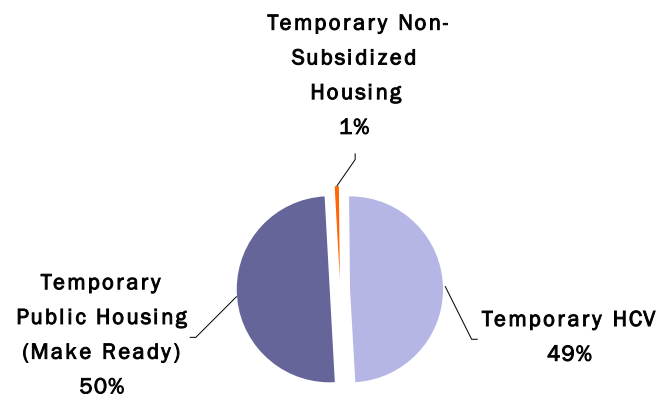
As information becomes available about units coming online or other opportunities for housing, the CHA informs residents through various methods of outreach, including home visits, letters, telephone calls, a relocation newsletter, and informational videos. As time for building closure and consolidation nears, residents have the opportunity to meet with a relocation counselor to get updated information about their options, review their housing choices, and make any changes, if desired. The CHA hosts Relocation Fairs, where residents may pick up relocation packets and the CHA staff explain the relocation process, opportunity neighborhoods, and counseling options. In FY2004, the CHA hosted Relocation Fairs at four properties: Francis Cabrini Extension; Madden Park/Ida B. Wells Homes; Robert Taylor Homes; and William Green Homes.

**Housing Choice Survey:
Permanent Choices as of
December 31, 2004***



*Based upon information entered into RMTS as of December 31, 2004.

**Housing Choice Survey:
Temporary Choices as of December 31, 2004***



*Based upon information entered into RMTS as of December 31, 2004.

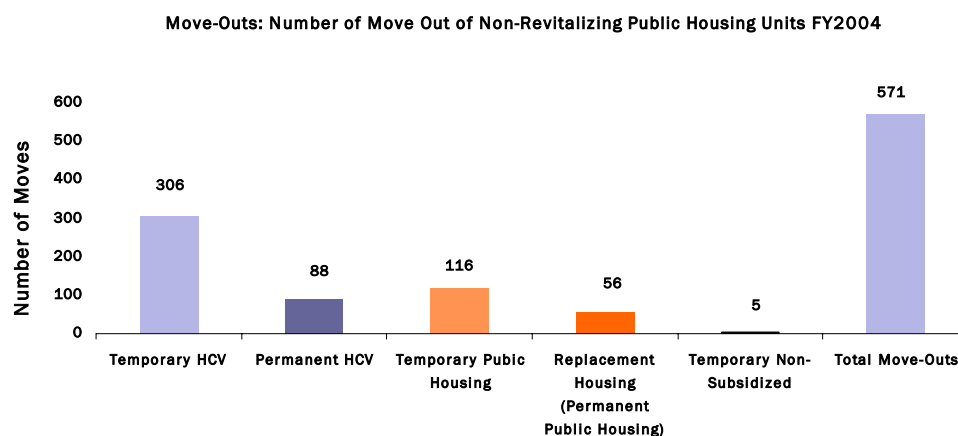
MOVE ACTIVITY

The CHA has established Relocation Teams to ensure that the relocation process and move activity at each development undergoing revitalization occurs on schedule while still meeting residents' needs. The Relocation Teams, comprised of the CHA staff and contractors, met weekly in FY2004 to manage the relocation process for each site undergoing rehabilitation or redevelopment. The team, led by a Relocation Project Manager, shared information, planned key relocation meetings and events, ensured that the process was on schedule to meet the building closure deadline, and developed solutions to resident issues. The creation of Relocation Teams allowed the CHA to enhance the relocation process and facilitate both move-out and move-in activity.

Move Outs

Property Managers send General Information Notices to the leaseholders to advise them that the building in which they currently reside is scheduled for closure during redevelopment or rehabilitation. Prior to building closure, residents also receive another notice that lists the address of their temporary housing location. During building closure, the CHA families move to their temporary housing location in a make-ready public housing unit or a unit in the private market, subsidized by a HCV. In some cases, a CHA family will move directly to their permanent housing choice if it is available at the time of building closure.

In FY2004, there were a total of 571 moves out of non-revitalized public housing units. These moves were primarily to temporary make-ready public housing units, redeveloped or rehabilitated public housing units, and units in the private market subsidized by a HCV.



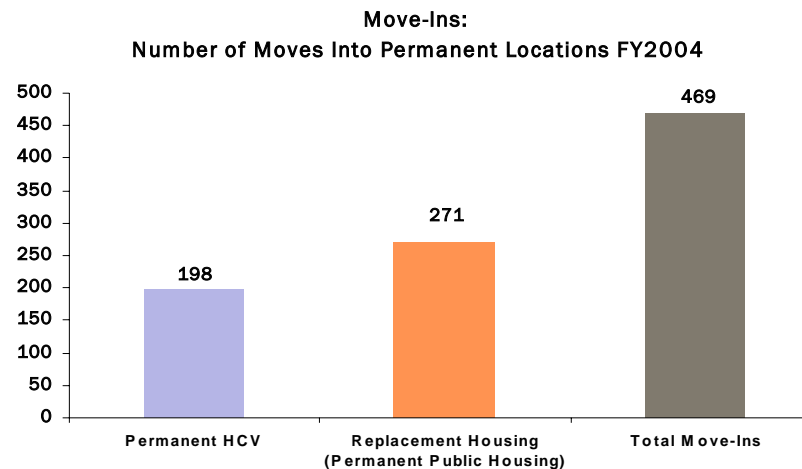
FY2004 Building Closures Mixed-Income Redevelopment/Rehabilitation Properties	
Development/Address	Total Number of Units
Henry Horner Homes	
1850 W. Washington Ave.	65
1920 W. Washington Ave.	65
1900 W. Washington Ave.	65
Raymond M. Hilliard Homes	
2030 S. State St.	174
Robert Taylor Homes	
4947 S. Federal St.	158
William Green Homes	
1340 N. Larrabee	144
630 W. Evergreen Ave.	144
714 W. Division St.	134
TOTAL UNITS	949

Building Closure

Buildings are selected and scheduled for closure based on physical building conditions, vacancy rates, redevelopment and rehabilitation plans, and communication with Local Advisory Council (LAC) and Central Advisory Council (CAC) representatives. The CHA keeps residents informed by conducting informational meetings and relocation fairs, providing notices of building closure or consolidation, and communicating with LAC presidents to ensure moves are conducted as smoothly as possible.

Move-Ins

With more than half of the units slated for redevelopment or rehabilitation complete by the end of FY2004, the CHA continued to invest significant resources toward leasing revitalized units and moving families into their final housing choice. During FY2004, a total of 469 families moved into their final housing choice, including 271 families who moved into redeveloped or rehabilitated public housing units and 198 families who moved into the private market with a HCV.



Each relocating household was assigned a randomized, computer-generated, Housing Offer Process (HOP) priority number. HOP priority numbers, along with family size, site-specific criteria, and a household's Housing Choice Survey determine the order in which revitalized units are offered by the CHA. As units became available for leasing throughout the year, the CHA contacted eligible families and conducted tours of the new units and communities so that families could make an informed choice regarding their final move into revitalized housing. The relocation process concluded for each family once they moved into their final housing choice and received a Final Right of Return Satisfaction notice from the CHA which indicated that their right of return to revitalized public housing had been satisfied.



More families saw the results of the rehabilitation or redevelopment of CHA properties as they moved in to renovated, modern homes.

Gautreaux Moves Program

In an on-going effort to deconcentrate poverty, the CHA started the Gautreaux Moves Program. The Gautreaux Moves Program assists public housing residents who are interested in moving to an Opportunity Area. An Opportunity Area within Chicago's city limits is defined as a census tract with a poverty rate of less than 23.49% and an African-American population of 30% or less. Outside of the City of Chicago, Opportunity Areas have a poverty rate and an African-American population of less than 10%. The CHA offers residents interested in moving to an opportunity area a chance to attend specialized counseling services offered by the Leadership Council for Metropolitan Open Communities. In FY2004, 127 families made a Gautreaux move and as of December 31, there were 540 participants in the Gautreaux Moves Program.

WORKING WITH RESIDENTS TO REMAIN LEASE COMPLIANT

Residents must remain lease compliant throughout the relocation process to retain their right to return to revitalized public housing. During FY2004, the CHA continued to communicate with residents during relocation about the availability of supportive services that assist families with remaining lease compliant. Transitional and Supportive Service counselors helped residents identify resources available to them to support their efforts to remain lease compliant, successfully prepared for and transitioned them into their new neighborhood, and, if applicable, helped residents in meeting site-specific admissions criteria. Each year, property managers conduct annual and interim re-certifications to ensure that residents remain lease compliant. If necessary, the property manager will refer non lease-compliant residents to relocation coaches or Transitional and Supportive Service counselors to help them become lease compliant.

TRACKING RESIDENT RELOCATION: CHA SYSTEMS@WORK

In FY2004, the CHA was able to more efficiently plan, monitor, accurately record, and retain or retrieve relocation activity in a consistent and timely manner because of continued enhancements to its technological environment. The CHASystems@Work Relocation Services Suite is a web-enabled series of integrated software applications specifically designed to assist the CHA's efforts in relocating residents to their temporary and permanent housing choices. The suite consists of four modules: the Relocation Management Tracking System (RMTS), Housing Offer Process (HOP), Bedroom Sizing (BRS), and the newest module added in FY2004, TheRightMovesNet.



Sharon Gist Gilliam, Chairperson of the CHA Board of Commissioners, and Barbara Banks, CHA Chief Information Officer, display the FY2004 Public Innovator Award from the Richard H. Driehaus Foundation and Government Assistance Program of DePaul University for CHASystems@Work.

In FY2004, the Richard H. Driehaus Foundation and the Government Assistance Program at DePaul University awarded the CHA the Public Innovator Award for CHASystems@Work. The award honored the CHA's effort to provide for creative and unique solutions to improve service delivery, address problems, and demonstrate measurable results through the software application.

In recognition of the CHA's efforts to provide accurate, consistent, and reliable information, the RMTS and HOP software applications also received the Excellence in Information Integrity Award for Quality Improvement from Unitech Systems, Inc. and the Information Integrity Coalition. The CHA joins the ranks of previous winners including Sprint, Bank of Nova Scotia, and American Express.

Relocation Management Tracking System (RMTS) Module

RMTS electronically gathers and manages residents' housing choice selection information. The system provides a workflow mechanism to record and confirm resident relocation-related activity prior to a building's closure. The module tracks Housing Choice Survey information, resident notification distribution, leasing information, and other relocation-related activities. The system also allows for the creation of standard operational reports that assist the CHA in better managing the relocation of residents and their families.

Housing Offer Process (HOP) Module

The Housing Offer Process Module was designed to provide an electronic vehicle to manage the CHA's move-in process. The HOP module ensures that returning residents are made new housing offers in accordance with the Relocation Rights Contract and in the order established by the HOP priority numbers. The CHA is continuously enhancing the HOP module to allow for a more efficient process.

Bedroom Sizing Module

The Bedroom Sizing Module applies the CHA's Admissions and Continued Occupancy Policy (ACOP) guidelines to accurately calculate the appropriate number and size of bedrooms needed by families.



The HOP Module ensures new housing offers are made in accordance with the Relocation Rights Contract and the order established by the HOP priority numbers.



TheRightMovesNet Module

To better assist residents in the relocation process, the CHA launched www.TheRightMovesNet.net in FY2004 with financial support from the U.S. Department of Commerce. The RightMovesNet Module is a web-enabled resource information system that uses flash media, Geographic Information Systems (GIS), and three dimensional animation to aid residents in making informed relocation choices. The system is designed to provide six information resource modules on affordable housing, relocation planning, public and human services, transportation, and education. The system also features an electronic bulletin board where important notices or questions can be posted, retrieved, or answered from any place with public access.

The CHA worked with a number of partners in FY2004 to create and launch the site, including the Chicago Public Schools, Northeastern Illinois University's Center for Inner-City Studies, the Metro Chicago Information Center (MCIC), Roosevelt University, and the Central Advisory Council of the CHA.

CHAPTER 4: ACHIEVING ECONOMIC AND SOCIAL SELF-SUFFICIENCY

One of the primary goals of the Plan for Transformation is for the CHA to assist residents in moving toward economic self-sufficiency and to provide residents with increased access to supportive services. During FY2004, the CHA continued to make strides toward achieving that goal by maintaining partnerships with City of Chicago departments and agencies such as the Chicago Department of Human Services, the Chicago Department on Aging, the Mayor's Office of Workforce Development, the Chicago Park District, and the Chicago Police Department. Through these partnerships, residents have access to the Service Connector System and to Resident Service Coordinators that assist residents in the senior-designated properties. The CHA also provides residents with access to employment and job training opportunities; offers a variety of supportive programs and activities; remains committed to communicating with residents; and involves residents in efforts to create and maintain safe and viable communities.

SERVICE CONNECTOR SYSTEM

Administered by the City of Chicago Department of Human Services (CDHS), the Service Connector System is a network of well-established social service agencies that provide information, inter-agency referrals, service coordination, and case management to CHA residents. The Service Connector System's 33 offices provide residents greater access to the support available in their communities. The Service Connector System endeavors to support residents by helping them to set goals that promote family stability, that maximize their housing options, and that help families to integrate into their communities. In addition, the Service Connector System maintains an intense employment focus and engages in a number of activities to help family members obtain and retain jobs. To that end, CHA contracted service providers opened 8,496 cases in FY2004, and provided 10,899 referrals to services.



CHA residents are invited to attend Social Service fairs to learn about the services available to them.

RESIDENT SERVICE COORDINATORS

The Resident Service Coordinator Program is a nationally established program, funded by HUD, to provide residents living in senior-designated properties with access to a variety of supportive services. Through the program, residents receive free screening for Federal, state, and local government benefits, as well as access to both social and health and wellness programs.

Benefits Screening

Through partnerships with the Chicago Department on Aging and property management companies, the CHA's Resident Service Coordinators (RSC) provided residents of the CHA senior-designated properties with free, confidential screening for government benefit programs. The RSC worked with residents to:

- Determine what services the resident needed;
- Identify programs and benefits available to residents who meet the eligibility criteria; and
- Follow-up with each resident after the screening.

Social Activities

RSCs also coordinate and provide a variety of recreational and cultural activities for residents in the senior designated properties. In FY2004, RSCs coordinated and conducted several social enrichment activities, including bingo games, trips to movie theaters, prayer breakfasts, shopping trips, jazz luncheons, an evening with Sydney Poitier, and the Annual Senior Gala.



The Honorable Richard M. Daley, Mayor of Chicago, Terry Peterson, Chief Executive Officer of the CHA, CHA staff, and CHA seniors enjoy the CHA's 2004 Annual Senior Gala.

Health and Wellness

Additionally, RSCs continued to work with residents to create a confidential care plans and reviewed these plans with residents annually. The care plans include a summary of the resident's personal history; a description of medical concerns; an evaluation of any problem areas; an assessment of the strength of informal support systems, such as family and friends; and an action plan to address the resident's needs. Upon request, RSCs can also provide residents with access to outside resources for counseling.

RSCs regularly collaborated with various City of Chicago departments and agencies in FY2004 to provide a variety of services including distribution of informational flyers and packets designed to help residents understand pressing health and educational issues, flu shots to residents in need, and well-being checks on residents during weather-related emergencies.

FY2004 Resident Service Coordinator Program Activity	
Number of inquiries for information and assistance	35,581
Number of times residents were provided direct service	66,535
Number of well-being checks conducted	15,241
Number of case management referrals	16,685
Number of residents referred for public benefits	12,657
Number of crisis intervention/unexpected emergency assistance	206
Number of social enrichment activities	7,768
Actual attendance at social enrichment activities	103,792

EMPLOYMENT AND JOB TRAINING

Throughout FY2004, the CHA continued to focus on resident employment and engaged in a number of activities designed to help residents obtain and retain jobs.

Resident Employment

The CHA works in collaboration with various City departments and not-for-profit organizations to provide residents with access to employment opportunities. Through these collaborations, residents can enroll in job training programs, GED classes, financial planning workshops, and entrepreneurship programs. In FY2004, the CHA assisted 933 residents in obtaining full and part-time jobs through the Service Connector System.

Youth Employment

In FY2004, the CHA partnered with After-School Matters, a not-for-profit organization, to provide a Summer Youth Pre-Internship Employment Training Program for CHA residents. The After-School Matters Summer Youth Pre-Internship Employment Training Program provided 28 CHA youth and 38 CHA adults with employment opportunities during FY2004. The 194 CHA teens who participated followed a prescribed Junior Achievement Curriculum in which they learned about entrepreneurship and job readiness. In the six week program, teens developed ideas for income-generating businesses, wrote business plans, and discussed marketing strategies for their new ventures. Teens who completed the program were paid a stipend and received instruction on basic academic skills, punctuality, work attire, and how to complete job applications. Participants also learned about methods to perform personal life skills such as banking, shopping, and budgeting.

CHA SUPPORTIVE PROGRAMMING

In addition to the extensive network of supportive services provided via the Service Connector System and RSCs, the CHA offered residents access to a variety of programs and activities throughout FY2004.

- Nutrition Programs: Through the Summer Food Program, the CHA distributed a total of 1,218,738 meals to children surpassing the FY2004 goal of serving 1,000,000 meals. The program operated at 201 sites on the CHA properties, as well as at 14 churches and 30 other local agencies. Additionally, the CHA provided 2,392 residents with fresh and nutritional produce at no cost through the Vegetable Give-Away Program.
- Furniture and Clothing Distribution: The CHA coordinated the acquisition of more than 1,000 pieces of furniture from Arthur Andersen's Q Center in St. Charles, Illinois for distribution to CHA families. The CHA also collected clothing items throughout the year from community members and the CHA staff and distributed them to families in-need.



Families choose amongst several children's coats provided by community members and CHA staff.

- Recreational Activities: Through a partnership with the Chicago Park District (CPD), the CHA offered a variety of recreational activities to residents throughout FY2004. More than 1,700 children participated in the Chicago Park District's summer day camp, and 505 youth were recruited for a soccer program during the year. The CPD after school programs also provided CHA youth with access to a variety of outdoor activities and field trips.
- After-School Programs: Additionally, the CHA's After-School Program at Altgeld Gardens and Murray Homes offered 25 at-risk youth with homework assistance throughout the year. After homework was complete, young residents were invited to participate in a number of indoor activities.
- Safe Halloween Activities: The CHA distributed a total 5,000 Safe Halloween Tips flyers as well as candy, chips, popcorn, fruit, and juice to children during the holiday.
- Beautification Programs: Through the CHA's Clean and Green Program, residents work together to clean and beautify the CHA properties. In FY2004, residents and Local Advisory Council (LAC) representatives were recognized for their efforts during the CHA's first Clean and Green Awards Ceremony. The top three properties received trophies for outstanding creativity, resident participation, cleanliness, and originality.
- Thanksgiving Celebrations: For Thanksgiving, the CHA joined forces with Windows of Opportunity, Jewel-Osco, and the National Conference for Community Justice to prepare 3,000 food baskets for some of Chicago's neediest families.



Family Feud

Under the leadership of CHA Board Commissioner Earnest Gates, the CHA hosted its first-ever intra-development Family Feud competition in FY2004. Questions for the game tested residents' knowledge of the Plan for Transformation. Subjects ranged from the relocation process to the Housing Choice Voucher Program, and included questions about rules and regulations that residents have to follow to remain lease compliant as well as residents' rights under the Relocation Rights Contract. Each team consisted of five members and represented CHA family housing properties. The top three scoring teams won prizes and the grand prize winner, Lathrop Homes, was awarded the Commissioner Earnest Gates' In the Spirit of CHange Trophy.

- Christmas Holiday Celebrations: In celebration of the Christmas season, the CHA worked with Windows of Opportunity, LAC presidents, as well as volunteers from the Safer Foundation and the Haymarket House to distribute 600 Christmas holiday food baskets. Additionally, the CHA collaborated with the National Forum for Black Public Administrators, Toys R Us, and Wisconsin Toys to fulfill the holiday wishes of our children. Over 12,000 toys, watches, radios, bicycles, clothes, and computers were hand delivered to public housing families for Christmas.



The CHA worked to make the holiday season a joyful one for public housing families through its Christmas toy and food drive.

COMMUNICATION AND RESIDENT OUTREACH

The CHA recognizes the importance of effective communication both during the Plan for Transformation and after its completion. In a continued effort to communicate the details of the CHA and Plan for Transformation to residents, stakeholders, and the general public the CHA distributed information through a variety of methods including an award-winning the CHA website, cable television show, and public comment hearings.

Website

The CHA continued to update its website www.thecha.org throughout FY2004. Residents and the public can access the CHA website to learn about the Plan for Transformation, locate the CHA properties throughout the city, view various newsletters and brochures, access the CHA's Annual Plans, Reports and resident policies, and view press releases. Residents and stakeholders were also able to view and comment on documents during their respective public comment periods in FY2004, including administrative plans, tenant selection plans and leases of mixed-income sites, and the FY2005 Annual Plan.



The CHA continued to keep residents and the public informed about the Plan for Transformation through its website, www.thecha.org.

Cable Show

In FY2004, the CHA aired 16 new episodes of its award-winning cable television show, “CHA: Building a Better Place.” The show, which airs on Chicago municipal stations, continued to be a successful avenue for residents and stakeholders to become informed and updated on the Plan for Transformation as well as the various supportive services that are available to the CHA residents. The FY2004 episodes included stories of individual CHA residents who are working to become economically self-sufficient and actively involved in their communities.

Other Communication Tools

The CHA also communicated with residents by:

- Creating and distributing site-specific fact sheets to residents at various CHA properties;
- Developing and distributing newsletters for residents in various CHA properties;
- Conducting tours of mixed-income developments for stakeholders and external audiences including university students and members of the news media;
- Presenting updates on the Plan for Transformation for national conferences;
- Creating an animated video to highlight the redevelopment plan for Rockwell Gardens; and
- Conducting eight public comment periods to provide the public an opportunity to make comments on proposed policy changes.



Ad Campaign

During FY2004, Leo Burnett, a global advertising agency, created an advertising campaign for the CHA pro-bono. The ads profiled five current CHA residents and one former resident who, through their exemplary character, personify the ideals of the Plan for Transformation. The ads told the personal stories of the residents and showed how each resident has overcome personal hardships to achieve success. The purpose of the ads was to position the Plan for Transformation as an instrumental force for positive change and also to help overcome some of the negative stereotypes that may exist among the general public. The ads were placed in local newspapers, on outdoor bus shelters and on the Chicago mass transit system. The transit ads were placed in areas near the communities where the CHA is renewing its properties.

RESIDENT SAFETY

In addition to the aforementioned supportive services, the CHA provided residents with access to services that support residents' safety. Through a collaboration with the Chicago Police Department, community policing initiatives, a victim assistance program, resident outreach groups, and contracted security services, residents work with the CHA to build and sustain safer communities.

Chicago Police Department

The Chicago Police Department (CPD) continued to patrol CHA properties, respond to requests for assistance, coordinate anti-crime strategies, and maintain monthly contact with the Local Advisory Council presidents throughout FY2004. By maintaining a physical presence in the CHA buildings, CPD patrols helped control vandalism, property damage, loitering, trespassing, and limit crimes at CHA properties.

Chicago Alternative Policing Strategy

The Chicago Alternative Policing Strategy (CAPS) is recognized as one of the most ambitious community policing initiatives in the United States. Through CAPS, police members, residents, and other community members came together to identify and address neighborhood problems. CHA residents took a proactive role in increasing public safety at their respective properties by attending monthly meetings in FY2004 and participating in their local CAPS organization.

Victim Assistance Program

The CHA's Victim Assistance Program supports CHA families who are impacted by violent crime, domestic violence, and ongoing threats to physical safety. In FY2004, the CHA's Victim Assistance Program provided services to 93 residents in 25 properties.

Resident Outreach Services

The CHA's Resident Outreach Services Unit is comprised of volunteer groups that work to increase public safety at CHA family and senior properties. In FY2004, there was an average of 91 volunteer groups that distributed information, patrolled neighborhoods, walked children to and from school in an effort to ensure safety, and conducted well-being checks on residents during extreme weather conditions with a high priority for seniors and the disabled.



Volunteers of the Resident Outreach Services Unit assist in the community through neighborhood watch programs, well-being checks, and food and information distribution.

Throughout the year, the volunteers conducted 37,356 building safety checks, held 91 public safety meetings, and continued to meet with representatives of the CPD and CAPS to discuss safety issues, concerns, and activities within the community. Resident Outreach Services continuously conducts open houses and other recruitment activities that are designed to encourage residents to play an active role in maintaining a safe community.

Private Contracted Security Guard Service

The CHA's property management firms contracted with private security companies in FY2004 to provide additional security at CHA senior designated properties. Security guards were stationed at the front desk for at least one eight-hour shift per day, thereby allowing senior residents and their visitors to enjoy a higher level of comfort.



*Honorary Mrs. Hallie Amey Avenue
CHA Board Commissioner Hallie Amey, a resident of Wentworth Gardens for 53-years, President of Wentworth Gardens Resident Management Corporation, and vocal advocate for low-income housing residents, was honored in January 2004 with a street dedication. Wentworth Avenue from 37th to 39th Streets, adjacent to Wentworth Gardens, is now "Honorary Mrs. Hallie Amey Avenue."*

At the dedication ceremony, Commissioner Amey reflected on the event: "I am so grateful to receive this honor. I have lived in this community a long time and have seen all the changes, good and bad, throughout the years. I look forward to the positive changes that the CHA is planning for the Wentworth community, to make life better for the residents here."

CHAPTER 5: PROMOTING ECONOMIC OPPORTUNITIES

In addition to connecting residents to a variety of supportive services, the CHA encourages economic self-sufficiency for residents through internal policies and programs that expand access to employment and contracting opportunities. To increase awareness of potential options to conduct business with the CHA, the CHA held information sessions throughout FY2004. At the sessions, the CHA explained ways to become a certified Minority, Women, and Disadvantaged Business Owners (M/W/DBE) and described a variety of the CHA sponsored programs that support economic self-sufficiency, including the Section 3 Program, Earn and Learn Program, and an alternative procurement process that supports resident-owned businesses.

MINORITY, WOMEN, AND DISADVANTAGED BUSINESS OWNERS (M/W/DBE)

To support economic development opportunities, the CHA encourages the creation, growth, and involvement of M/W/DBEs. Specifically, the CHA's construction and service contracts of \$25,000 or more must meet the appropriate level of M/W/DBE Program participation. In addition to these financial requirements, the CHA conducted outreach throughout FY2004 for M/W/DBEs through "How to Do Business with the CHA" training and Six-Step Series Workshops. These regular trainings provided an opportunity for M/W/DBEs to obtain information on contracting opportunities with the CHA as well as suggestions for developing a business.

"How to Do Business with the CHA"

On a quarterly basis, the CHA held "How to Do Business with the CHA" training sessions which provided participants with information on the procurement process, M/W/DBE and Section 3 compliance, and upcoming procurement opportunities.



The CHA hosts training sessions, workshops, and networking events for parties interested in doing business with the CHA, as well as for CHA resident-owned businesses.



Six-Step Series Workshops

The CHA residents and other low-income individuals were invited to attend the Six-Step Series Workshops which provided steps on creating and managing a business. Some of the topics addressed at the workshops included the legal formation of a business, preparation of a business plan, marketing, and financial awareness.

Also during the year, CHA Procurement Buyers and Compliance Policy Monitoring specialists attended a number of events targeted to M/W/DBEs and sponsored by local organizations. Some of the sponsoring organizations for the M/W/DBE outreach events included:

- Chicago Cosmopolitan Chamber of Congress;
- Chicago Park District;
- City of Chicago;
- Hispanic Chamber of Commerce; and
- Women's Business Development Council.

SECTION 3 OUTREACH

The goal of the Section 3 Program is to ensure that low and very low-income individuals are provided employment and other economic opportunities through contracts paid for with HUD funds. To meet this objective, the CHA established a system that determines participation based upon contract amount and type. The system requires that at least 30% of a contractor's new hires on qualifying contracts with the CHA be Section 3 residents from the property where work is being performed. However, if contractors are unable to meet this requirement, they can fulfill it by providing alternative economic opportunities for Section 3 residents. These opportunities might include providing training for Section 3 individuals or contributing to the CHA's Section 3 Compliance Fund. The CHA conducted outreach for the Section 3 Program throughout FY2004 including informing residents of employment and training opportunities, enrollment in the CHA's Section 3 Database, and business development workshop registration.



EARN AND LEARN

In October 2004, the CHA created the Earn and Learn Program to further assist residents and other low-income individuals as they continue to move towards economic self-sufficiency. Program participants have the opportunity to obtain internships with participating companies to assist with the transition to full employment and strategies to develop a business. As of the end of FY2004, 75 residents were scheduled to participate in the program in the upcoming year.

ALTERNATIVE PROCUREMENT PROCESS

To further increase contracting opportunities available to residents, the CHA uses its Alternative Procurements Process to identify procurements that will only be solicited to resident-owned businesses (ROBs). Contracts with ROBs were established for a number of goods and services, such as catering, building maintenance, and construction throughout FY2004.

CHAPTER 6: OPERATION OF CHICAGO'S PUBLIC HOUSING

Upon completion, the Plan for Transformation will provide 25,000 units of redeveloped or rehabilitated housing in viable communities for low-income families in Chicago. However, the Plan for Transformation is not merely about revitalizing units. Essential to the success of the Plan for Transformation is diligent management of the revitalized assets and the creation and implementation of policies and procedures that support viable communities.

MANAGEMENT OF ASSETS

FY2004 was the fifth year that the CHA contracted the daily, on-site operation of the properties to private property managers including resident management corporations. Each property is assigned an asset manager who, on behalf of the CHA, holds the site's property management company accountable for their work by monitoring the firm's performance with property management benchmarks. During the year, the CHA reviewed the organizational structure of the Asset Management Department to identify potential changes for improved efficiency and better oversight of the property management contracts. As a result of the review, the CHA determined that the Asset Management Department should be re-organized so that it more closely paralleled the structure of private sector property management companies.

In addition, throughout FY2004, asset and property management staff attended training sessions to help them remain up to date on industry best practices, HUD rules and regulations, and to ensure that CHA policies and procedures were properly implemented. Some of the topics covered at these sessions included:

- Admissions and Continued Occupancy Policy and Procedures;
- Residential Lease Agreement;
- Pet Policy and Procedure;
- Rental Integrity Monitoring;
- Re-certification procedure;
- Tax credit properties; and
- Resident Grievance Procedures.

FY2004 PROPERTY MANAGEMENT BENCHMARKS AND PERFORMANCE

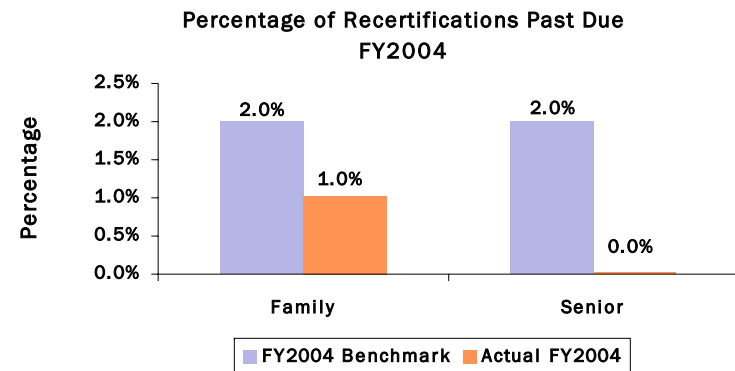
The property management benchmarks, which are incorporated into the contracts of the property management companies, reflect the CHA's standards for the maintenance of units and properties inhabited by public housing residents. Property management companies who do not meet the benchmarks as they are outlined in their contracts are subject to corrective actions. If, after corrective actions are imposed, improvements are not made, the CHA has the option of enforcing financial penalties or terminating the property management company's contract.

Under the guidance of the CHA asset managers, the property managers were able to meet or exceed several of the set benchmarks. The property management firms' success in both meeting and surpassing FY2004 benchmarks demonstrates the Authority's success in transitioning from managers of properties to managers of assets. To enhance the asset managers' monitoring capabilities, the CHA has invested significant resources installing and implementing a new, automated housing management software system Yardi Enterprise/Voyager. The automated system will allow property managers, asset managers, and other CHA staff to more efficiently generate customized and standard performance and housing stock reports and raise the standard for intake and case management, property maintenance, and construction management. Preparation for the first phase of implementation continued throughout FY2004 with the drafting of Design Books, the development of a "pilot" system, and a review of CHA housing stock and resident data.

FY2004 property management benchmarks and performance follows.

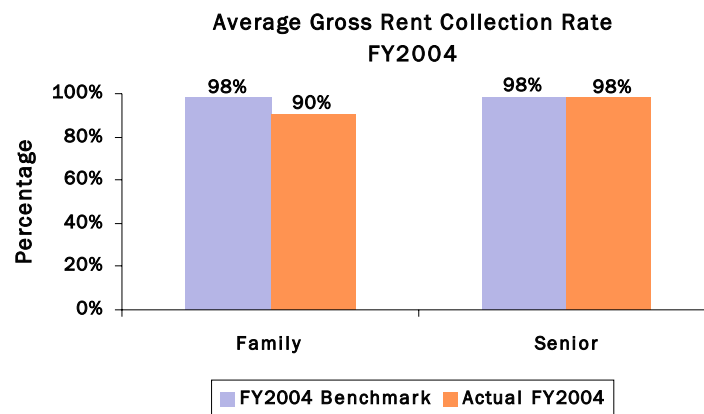
Past Due Re-certifications FY2004 Benchmark: Less than 2% of the re-certifications will be outstanding.

Each resident meets with property managers before their current lease expires to recertify and sign a new lease. The re-certification process includes reviewing the household income, family size, and calculating the resident's rent under the new lease. Property managers were expected to complete each family's annual re-certification before their lease expired. Families who relocated to their permanent housing choice also attended interim re-certification interviews before signing the lease for their revitalized unit. The property managers were able to surpass the FY2004 benchmark with only one percent of re-certifications past due at the family properties and no re-certifications past due at the senior properties.



Gross Rent Collections FY2004 Benchmark: At least 98% of all residents' rent will be collected.

As part of their lease agreement, CHA residents are expected to pay rent and any other costs associated with their unit in a timely manner. The rent collection rate in the charts below reflects gross rent collection which includes monthly rent due in the year, as well as rent in arrears.



Rental Integrity Monitoring Reviews

In FY2002, HUD established a strategy entitled Rental Integrity Monitoring (RIM) to reduce errors in rent calculation and income verification. As a result of RIM, public housing authorities, including the CHA, reviewed property managers' resident files for proper rent calculation and income verification. During the CHA's review, it was determined that 90% of the files contained some type of error in income verification or rent calculation.

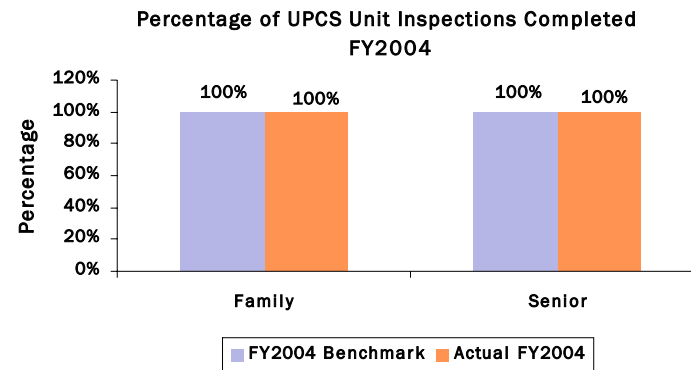
With 90% serving as a baseline, the CHA initiated steps to reduce the percentage of files with errors. By the end of FY2004, errors were reduced by 15% so that of the files reviewed, only 75% had errors. To reach this reduction rate, property and asset managers were required to attend RIM training to accurately calculate rent, deductions that need to be made prior to final rent calculation, and how to make the final rent determination. The initial goal was to reduce errors in rent and income by 15% in FY2003 (to 75%) and by an additional 30% in FY2004 (to 45%). However, implementation of the RIM strategy was delayed to allow the CHA staff to revise property management contracts to incorporate the RIM strategy.

Unit Inspections FY2004 Benchmark: 100% of units will be inspected.

One hundred percent of the CHA public housing units required to be inspected during FY2004 were inspected using Uniform Physical Condition Standards (UPCS). The HUD-established standards ensure that units receiving Federal housing subsidies are in good condition.



100% of CHA family and senior units were inspected using HUD-established standards in FY2004.

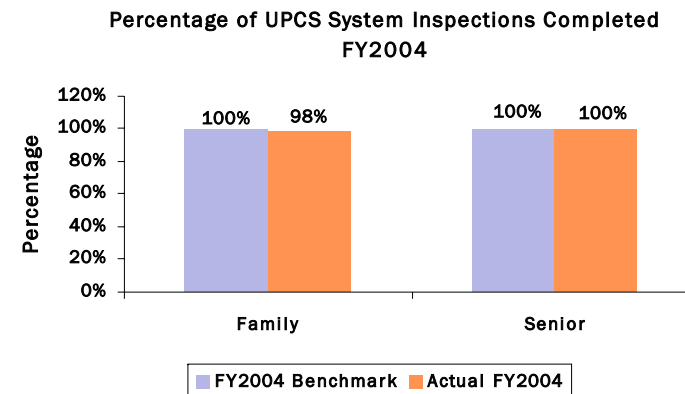


System Inspections FY2004 Benchmark: 100% of buildings systems will be inspected.

In addition to the units, public housing property systems were inspected using UPCS. Due to changes in the CHA's housing management system, not all of the system inspections conducted were incorporated into the system. Property management companies provided signed verifications that all of the systems were inspected.

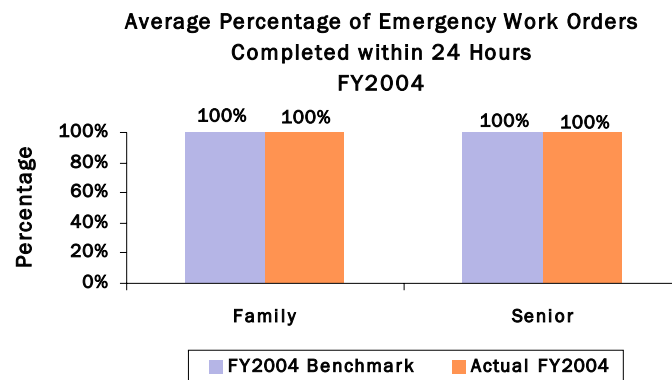


The CHA inspected public housing property systems in FY2004 using UPCS.

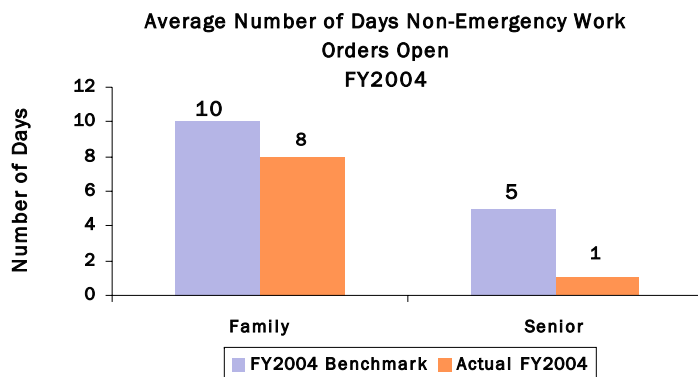


Emergency Work Order Response FY2004 Benchmark: 100% of emergency work orders will be abated within 24 hours.

To maintain a safe and healthy environment, the CHA, in compliance with HUD regulations, requires all emergency work orders to be completed within 24 hours. Emergencies are defined as conditions which pose an immediate threat to life, health, safety, or property, or one that threatens fire safety. At both family and senior properties, property managers were able to meet the emergency work order response benchmark.



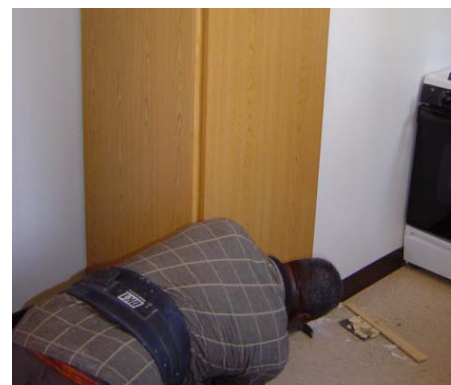
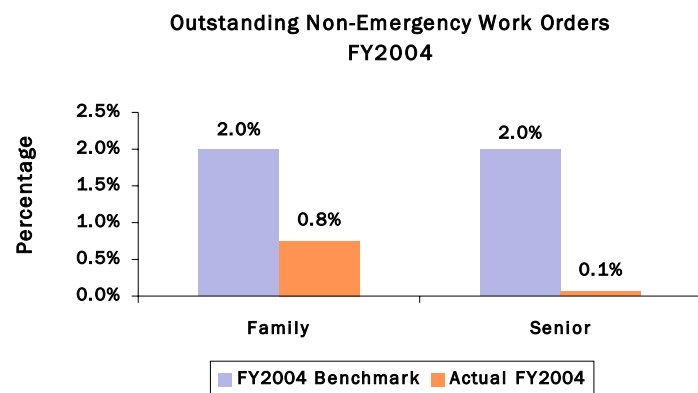
Non-Emergency Work Order Response FY2004 Benchmark: Complete non-emergency work orders within ten days at family properties and eight days at senior properties.



While non-emergency work orders do not pose immediate threats to life, safety, or property, it is important to complete these work orders in a timely fashion so that residents can live in properly maintained units and properties. Expediently responding to the work orders also prevents them from becoming emergency work orders and decreasing the quality of the physical asset.

Outstanding Non-Emergency Work Orders Benchmark: Less than 2% of non-emergency work orders will be outstanding.

In some cases, non-emergency work orders cannot be completed. These outstanding non-emergency work orders only represent a small portion of the entire number of non-emergency work orders. As of December 31, 2004, 0.8% of non-emergency work orders were outstanding at the family properties and 0.1% at the senior properties. In many cases, the outstanding work orders will be completed and closed in the early quarters of FY2005.



Property management staff completed non-emergency work orders in FY2004.

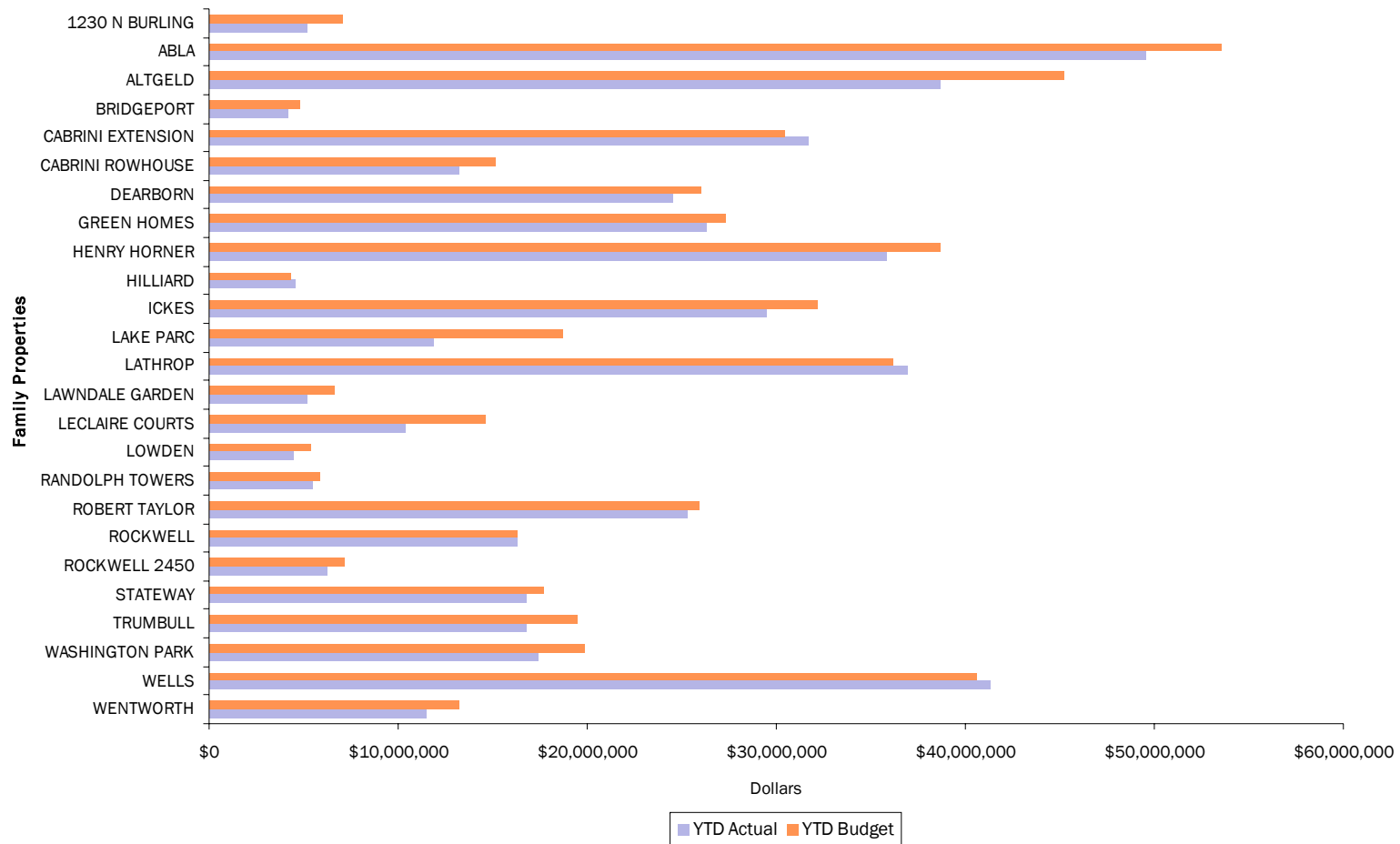
Vacant Unit Turnaround Time

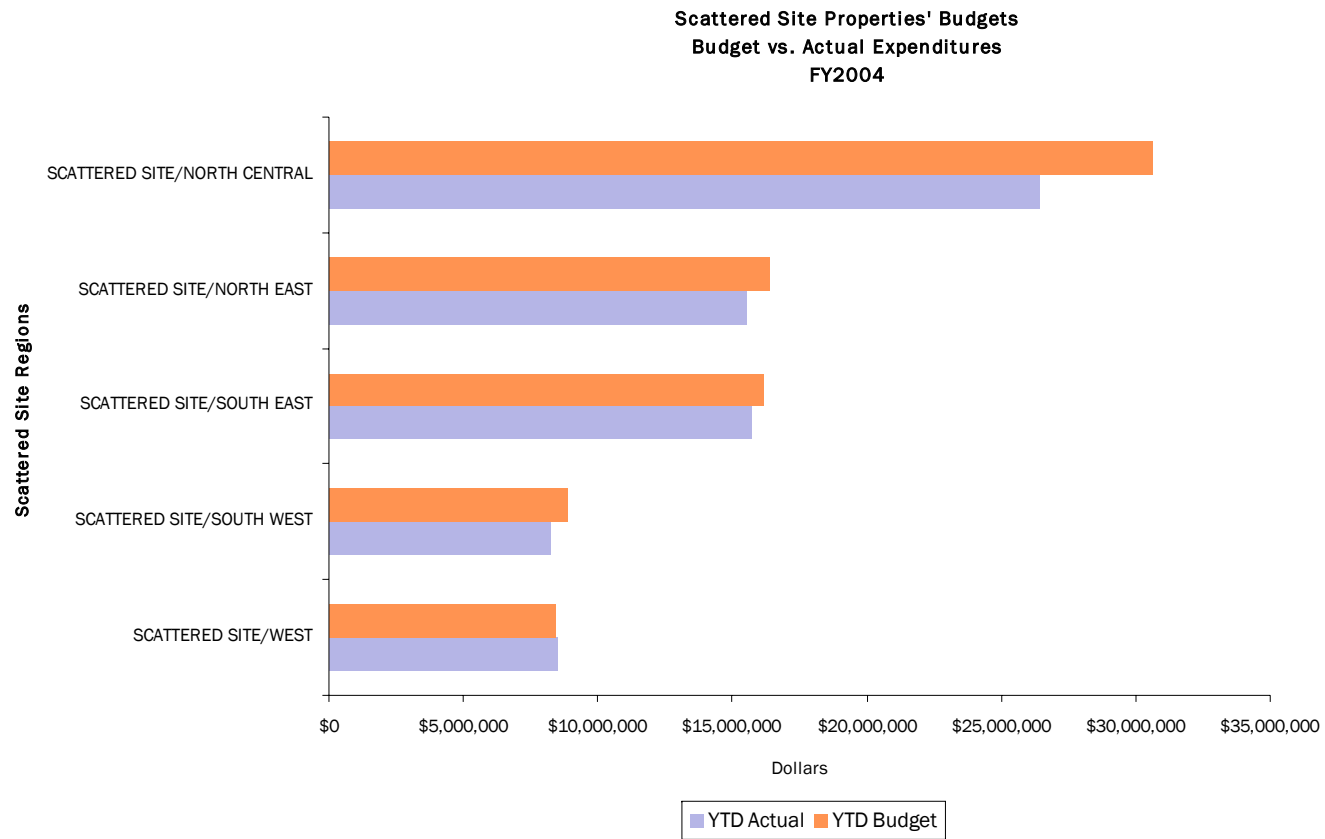
The CHA will not measure vacant unit turnaround time until more units are rehabilitated and redeveloped.

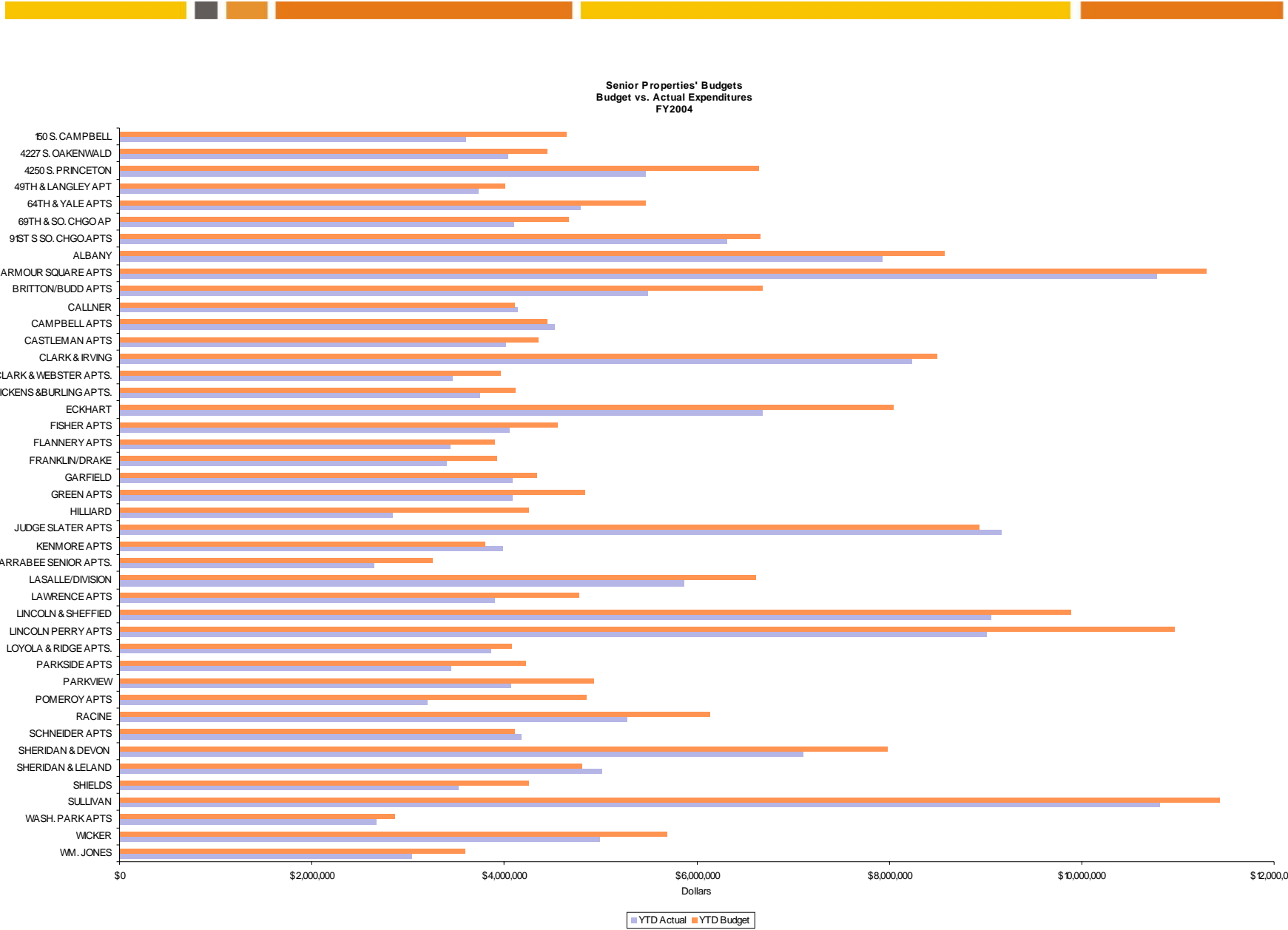
PROPERTY BUDGETS

The CHA meets with property management firms each year to establish a budget for each property. Asset Managers regularly review the actual expenditures versus the budgeted and identify potential cost saving measures. The variance in FY2004 actual versus budgeted expenditures is primarily due to the property management companies having to spend funds to cover extraordinary costs due to unforeseen events.

**Family Properties' Budgets
Budget vs. Actual Expenditures
FY2004**







QUALITY CONTROL

The Quality Control Unit continued to work in conjunction with asset managers in FY2004 to audit the performance of the property management companies. In FY2004, Quality Control staff conducted 1,822 reviews of UPCS files and quality control inspections of 1,207 units and 142 building common areas. The reviews and inspections confirmed whether or not all required yearly inspections were conducted by property managers. The reviews also served to confirm that any deficiency found during FY2004 was accurately documented and remedied in a timely manner.

Also during FY2004, Quality Control staff conducted 1,165 re-certification reviews to verify accurate rent calculation, income deductions, and proper verification of resident information. If errors were found during the reviews, the Quality Control Unit created a summary report of the findings and forwarded the information to the asset and property managers for further action. In FY2004, a Perfect File Folder and a Perfect File Folder Manual were created to serve as visual aids for property managers during the Quality Control Unit's re-certification reviews.

FY2004 LEASING ACTIVITY

Leasing at Mixed-Income and Rehabilitated Properties

Asset managers worked with Relocation Department staff to assist relocating families as they transitioned from their temporary homes to their revitalized final housing choice. In FY2004, the CHA leased 271 revitalized public housing units to families relocating under the Plan for Transformation. For more information on relocation at mixed-income and family rehabilitated properties, see Chapter 3: Supporting Residents Through Relocation.



Pilsen/Little Village Latino Site Office Relocates

In November 2004, the CHA inaugurated the new Pilsen/Little Village Latino Site Office. The CHA has a total of three strategically located offices in Chicago. Latino Site Offices provide bilingual service for:

- Individuals with general CHA and Housing Choice Voucher Program inquiries;
- Seniors interested in applying for housing at CHA senior designated properties; and
- CHA applicants interested in updating their wait list information.

The site offices also develop and implement marketing plans to promote the affordable housing opportunities at CHA's mixed-income communities by highlighting the amenities, benefits, and affordability of the units, as well as coordinating tours.

CHA resident Reynaldo Espino (center) spoke at the open house held to inaugurate the new Pilsen/Little Village Latino Site Office. The Latino Site Office helped Mr. Espino apply for public housing, and he now lives in one of the CHA's senior designated properties.

Leasing at Senior Designated Buildings

More than 1,300 rehabilitated senior units were leased in FY2004. In preparation for additional units becoming available, the CHA began to update the wait lists for senior designated properties. Notices were mailed to all applicants on the wait lists requesting updated contact information and confirmation that they wished to remain on the lists.

FY2005 Senior Designated Housing Plan

In preparation for the expiration of the FY2000 Senior Designated Housing Plan, the CHA began preparing its request to HUD to update the Senior Designated Housing Plan by revising the parameters of the senior-only designation so that, moving forward, the CHA will lease units only to the elderly (age 62 and above), and will not lease units to the near-elderly (ages 50-61) in the designated properties. As the rehabilitation of the senior portfolio draws to a close, the CHA will roll out a comprehensive media and community relations campaign to enhance its leasing efforts. The expected increase in demand for senior housing made the need for an extension of the designation and amendment to the parameters imminent.



The CHA leased units in rehabilitated senior designated buildings in FY2004.

RESIDENT POLICIES

CHA residents are expected to comply with admissions and continued occupancy policies as outlined in the CHA's Admissions and Continued Occupancy Policy and the tenant selection plans of the individual mixed-income sites. The CHA regularly reviews the policies for compliance with Federal, state, and local regulations and industry standards. If changes need to be made to the policies, the CHA holds public comment periods and hearings to allow residents and the public at-large to review and comment on proposed changes.

Family and Senior Traditional Public Housing- Admissions and Continued Occupancy Policy (ACOP)

In FY2004, no changes were made to the Admissions and Continued Occupancy Policy (ACOP) which governs admissions to, selection of residents for, and occupancy of traditional public housing developments owned by the CHA. Rather, the focus was on implementing the ACOP, Residential Lease Agreement (Lease), and Pet Policy approved by the Board of Commissioners in October 2003.

To support the effective implementation of the ACOP, the CHA created new and refined existing procedures for CHA and property management staff. In FY2004, 23 Admissions and Continued Occupancy Policy Procedures (ACOP-Pro) were drafted and finalized. These procedures cover admissions processes such as affirmative marketing, taking applications, applicant screening, and making unit offers, as well as continued occupancy processes such as annual re-certifications, additions to households, interim changes in rent, transfers, reasonable accommodations, unit modification, and lease termination. The newly developed ACOP-Pro and the existing ACOP, Lease, and Pet Policy and Procedure were combined into a comprehensive manual for CHA and property management staff to follow and access daily.

In July 2004, the CHA coordinated extensive three-day ACOP and ACOP-Pro training sessions for staff from all of the property management companies and various CHA departments. The training sessions covered both the policies and procedures and included case studies and exercises for participants.

Mixed-Income Housing- Leases and Tenant Selection Plans

Admissions and occupancy policies for mixed-income communities are contained within each site-specific Tenant Selection Plan (TSP) and lease. Each new mixed-income community lease and TSP is presented to the public during a 30-day public comment period before finalization and submission to the CHA Board of Commissioners for approval. See Chapter 1: Renewal of Chicago's Public Housing for information on leases and TSPs finalized in FY2004.

For consistency among the various TSPs and mixed-income housing leases, the CHA drafted a Minimum Tenant Selection Plan (MTSP). The MTSP serves as a guide for working groups and developers as they draft their respective site's TSP. The CHA Board of Commissioners approved the MTSP in September 2004.



The CHA Board of Commissioners meet to review CHA policies as well as hear comments from the public.



CHA residents who live in mixed-income communities must abide by the admissions and continued occupancy policies set forth in their site's TSP and lease.

Resident's Grievance Procedure

During the first quarter of FY2004, the CHA amended its Resident Grievance Procedure. The new Grievance Procedure is a two-step process through which public housing residents at both traditional and mixed-income properties can raise grievances with the CHA and/or its property management firms. The amended procedure promotes impartial and timely decisions that are independent from the CHA. The first step is an informal hearing between a resident and property manager in which the parties present concerns and attempt to resolve issues. If resolution is not reached, the second step is a formal hearing with an independent hearing officer. The resident retains the right to take the matter to a court of law if they are not satisfied after the formal hearing.

To amend the procedure, the CHA entered into an Intergovernmental Agreement with the City of Chicago Department of Administrative Hearings for use of its facilities and existing group of hearing officers for formal hearings of the CHA-related grievances. The CHA and Central Advisory Council jointly agreed upon the pool of 12 independent hearing officers who adjudicate formal hearings, and the CHA conducted training for those hearing officers on HUD regulations and CHA policies and procedures.

One-Strike Program

Federal legislation dictates that the CHA, along with all other public housing authorities, implement a One-Strike Program. The goal of the legislation is to remove leaseholders, household members, guests, or other persons under a resident's control that threaten the health, safety, or right of peaceful enjoyment of the premises by other residents, CHA employees, agents of the CHA, or persons residing in the immediate vicinity. It is important to note that not all One-Strike cases result in evictions; many cases result in alternative resolutions.

One-Strike Program FY2004	Total
Judgments for the CHA Pending Eviction	26
Judgments for Residents	8
Agreed Orders	116
Cases Dismissed	94
Cases Canceled	21
One-Strike Executed Evictions	70
Move-Outs	123



CHAPTER 7: ADVANCING THE VISION FOR CHANGE



As part of the Plan for Transformation, the CHA instituted a number of reforms to improve internal management and accountability. These reforms included improving the management of financial resources and diversifying funding sources to supplement HUD's operating subsidy and \$1.6 billion capital funding commitment. In FY2004, to support ongoing CHA activities and assist residents in transitioning to self-sufficiency during the remainder of the Plan for Transformation, the CHA continued to successfully manage its financial resources, raised external funding through resource development, and built strategic partnerships with universities and community-based organizations. These activities have allowed the CHA to maintain a balanced budget for five consecutive years and exceed its fundraising goals, raising \$3.57 million in FY2004, totaling \$73 million raised since the onset of the Plan for Transformation.

FINANCE

The CHA's Finance Division creates, institutes, and enforces financial policies that provide for the sound management and investment of the CHA resources. As it has for the past six years, the CHA received national recognition in FY2004 for the successful management of its financial resources.

Certificate of Achievement for Excellence in Financial Reporting

In FY2004, the CHA received the Certificate of Achievement for Excellence in Financial Reporting for the seventh year in a row from the Government Finance Officers Association of the United States and Canada (GFOA), a nonprofit association serving government finance professionals. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting.

Distinguished Budget Presentation Award

In FY2004, the CHA also received the Distinguished Budget Presentation Award for the fourth year in a row from the GFOA. This award is given to governmental entities that publish budget documents meeting criteria for a policy document, operations guide, financial plan, and communications tool. See Appendix G and H for the CHA Capital Expenditures and Financial Statements as of December 31, 2004.

EXTERNAL FUNDING THROUGH RESOURCE DEVELOPMENT

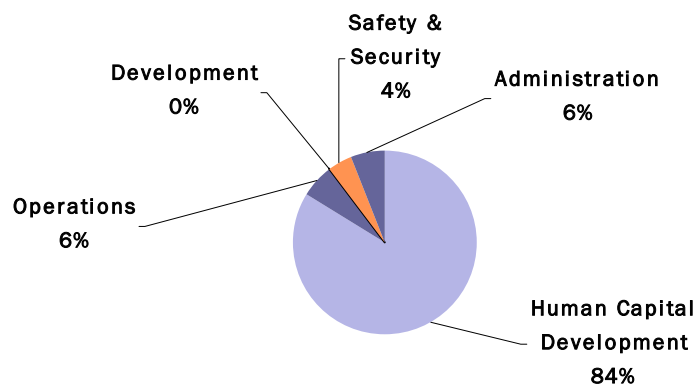
As part of an effort to support implementation of the Plan for Transformation, the CHA identifies potential opportunities to supplement and diversify its funding sources. At the onset of the Plan for Transformation, the CHA established a goal of raising \$50 million by FY2005 through both direct grants awarded directly to the CHA and indirect grants given to CHA partners who wish to support public housing residents and the Plan for Transformation.

Through collaborations and external fundraising efforts, the CHA and its partners raised \$3.57 million in FY2004, totaling \$73 million raised since FY2000 in support of the Plan for Transformation.¹ This activity far exceeds the goal of raising \$50 million by FY2005.

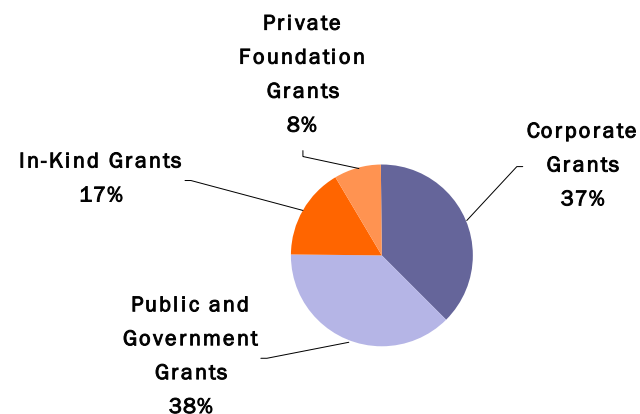
Funding Requests

Each year, the CHA makes numerous requests to a variety of potential funders. CHA fundraising efforts in FY2004 primarily concentrated on seeking grants and projects to support resident self-sufficiency, with 84% of funding requests in the area of human capital development. Sources of monies received during FY2004 remained diverse, with grants from public, corporate, and private foundation partners, as well as in-kind donations.

Focus Area of Funding Requests FY2004



Sources of Funding Received FY2004

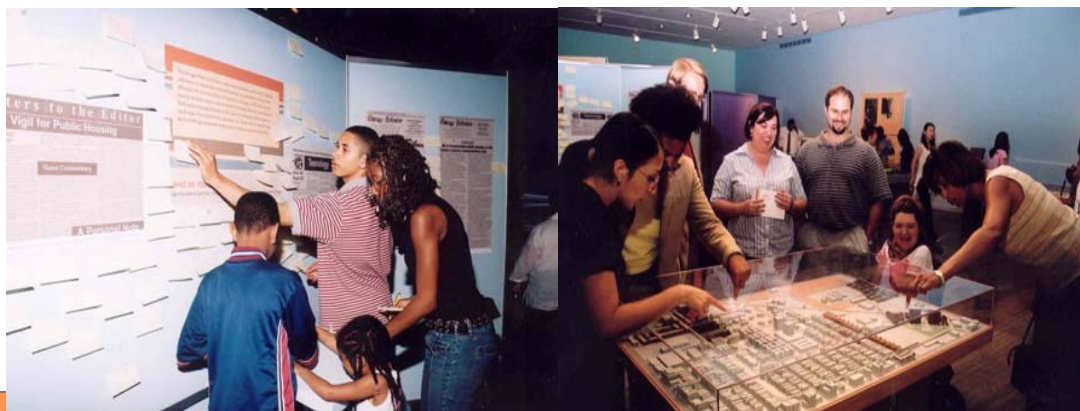


¹ The new resources raised from FY2000-FY2003 were revised to more accurately reflect grants and funds received by non-CHA entities for the purpose of assisting public housing and HCV Programs families.

Public/Government Grants

Together with external partners, the CHA received more than \$3 million in government grants in FY2004. New activities funded during the year included an HIV/AIDS education, outreach, prevention, and testing programs at six CHA communities, supported through a grant from the Illinois Department of Public Health.

Additionally, the CHA and Passages for Alternative Lifestyles, a small community-based organization, received funding from the U.S. Department of Health and Human Services' new Mentoring Children of Prisoners grant program. The national effort provides mentorship, guidance, and hope to children with at least one incarcerated parent to support their growth into successful, healthy adults.



Taking Shape: The CHA Plan for Transformation Exhibition

The Chicago Historical Society and the CHA teamed up in early June 2004 to present “Taking Shape: The CHA’s Plan for Transformation” an exhibition that featured ten architectural models of new mixed-income developments and newspaper articles highlighting the transformation. Through computer animations, eight of the ten models offered virtual tours of the communities and new public housing units along with a detailed historical background of the area. Visitors also had an opportunity to record their responses in a “talk back” section of the exhibit.

The exhibition was on view at the Chicago Historical Society until July 25 when it made its way to City Hall. The exhibition will eventually be shown in neighborhoods where the ten mixed-income developments are located.



Corporate Partnerships

During FY2004, the CHA maintained and expanded a number of corporate partnerships made in years past, culminating in more than \$400,000 in new corporate resources throughout the year. Specifically, Hewlett-Packard supported a partnership between the CHA, the Center for Neighborhood Technology, and the Women's Self-Employment Project to establish a micro-enterprise and technology program at Altgeld Gardens. The CHA also worked with the Norwegian American Hospital and several corporate partners to hold a one-day health fair in the Lathrop Homes. Additional donations included funding raised through the CHA's 4th Annual Golf Outing, and an in-kind contribution from Toys R Us and Wisconsin Toys that allowed the CHA to distribute toys during holiday celebrations.

Foundation Partnerships

The CHA continues to receive generous contributions from private foundations in support of the Plan for Transformation. This includes support from the John D. and Catherine T. MacArthur Foundation and the Chicago Community Trust, whose joint efforts also resulted in the creation of the Partnership for New Communities. The Partnership supports public housing transformation by promoting neighborhood economic development and the growth of strong community institutions that will allow mixed-income communities to thrive.

In addition to this ongoing support, the CHA received a new grant from the Retirement Research Foundation in FY2004 that will fund the Illinois College of Optometry's Sight for Seniors pilot program at Armour Square. Through the program, seniors residing at Armour Square buildings will have access to free eyecare and treatment.

Building Strategic Partnerships

The CHA continued building strong relationships and strategic partnerships throughout FY2004 with universities and community-based organizations in an effort to support ongoing CHA activities and assist residents in transitioning to self-sufficiency during the Plan for Transformation.

Roosevelt University

In FY2004, the CHA announced a new partnership between Roosevelt University and Wentworth Gardens. Roosevelt sponsored a day of service activities with residents in the spring and a back-to-school event in September, in partnership with the Chicago White Sox. The university will offer two four-year scholarships for Wentworth Gardens residents and has hired a staff person to work on an oral history project with residents.

Chicago State University

The CHA also established a partnership between Chicago State University and Trumbull Park Homes and Lowden Gardens in FY2004. Resident surveys were distributed during the year to gauge resident interest in Chicago State University programming.

Illinois Institute of Technology

During FY2004, the CHA and the Illinois Institute of Technology (IIT) initiated a Technology Advisory Committee (TAC). Through the TAC, IIT will assist the CHA on its Sensible Homes Initiative and on developing a pilot initiative to employ green technology in affordable housing. Green technology conserves energy through alternative or renewable energy sources and by using resource-efficient building materials.

University of Illinois-Chicago

During the fall semester of FY2004, a partnership between the CHA and University of Illinois-Chicago (UIC) allowed twelve residents from Washington Park to participate in a program at the UIC City Design Center and Urban Planning Program that taught basic elements of good, functional design. During the first quarter of FY2005, UIC students will have an exciting opportunity to take a housing studio course in which they will develop a land use plan for an eight-block area of Washington Park. CHA staff and resident leadership will participate in the course providing feedback to the students.

University of Chicago

In FY2004, the University of Chicago's School of Social Work began working on a community resource guide for the Madden Park and Ida B. Wells community, an effort that is funded by the John D. and Catherine T. MacArthur Foundation. The CHA is also taking steps to expand its partnership with the University of Chicago which in close proximity to several CHA properties.

Center for Neighborhood Technology

The CHA focused on developing strategic partnerships with a number of community-based organizations throughout FY2004. This included signing a Memorandum of Understanding with the Center for Neighborhood Technology. Through the MOU, the CHA and CNT will join efforts to seek funding for technology initiatives that benefit public housing residents.



The CHA partnered with various academic and community-based organizations in FY2004 to assist its residents with gaining access to technology and computers.